Discounters Phase in More Sophisticated

Discounters are phasing in more sophisticated electronic data processing equipment and programs.

Discounters' extensive use of main-frame computers at headquarters, and electronic registers and backroom terminals at store level, is evident from a recent National Retail Merchants Association-Touche Ross report titled *POS Trends in the 80's*.

Among the findings concerning discounters, the study, which covered POS terminals and related systems throughout the retailing industry, reported:

- Forty-six per cent of the discount respondents had full POS installations in their stores, just two percentage points behind conventional department stores.
- Thirty-two per cent of the discounters had a partial POS setup, while only 22% didn't have any POS installation.
- The number of POS terminals per discount store ranged from two to 85, with 18 the mean and 14 the median.
- Breaking down the POS systems per store by type, the full POS set ranged from two to 85, with 23 as the mean and 18 as the median. The partial POS setup ranged from two to 23, with 12 as the mean and 10 as the median.
- Total cost of installing a POS system ranged from $97,000 to $18 million, with $5,295,000 as the mean and $2,685,000 as the median.
- Installation costs on a per-POS terminal basis ranged from $2,000 to $91,000, with $11,200 as the mean and $5,700 as the median.
- The installation methods included: 8% on a department-by-department basis, 88% on a store-by-store system and 32% in several units concurrently.
- Handling the installation were EDP executives, 64%, special projects executives, 20% and store operation executives, 20%.
- POS enhancements planned by discounters are mainly in the merchandising and inventory (68%) and administrative functions (64%) areas.
- Fifty per cent of the discounters use machine-readable tickets/labels. Of those chains, 53% use an off-line ticket reader, 40% wand or read at point-of-sale and 7% scan at point-of-sale.
- Fifty-seven per cent believe that electronic communications (using computers) between chains and vendors would be beneficial, but only 27% are either now doing so or plan to do it within two years, and 68% don't have any plans for this.

Discounters accounted for 7% or 37 out of the 525 companies surveyed. K mart and Woolco/Woolworth were counted among the eight full-line national chains covered in the report and their responses aren't part of the discounters' percentages.

While K mart wasn't included among the discounters, the industry's leading chain has undertaken a number of activities that underscore the EDP moves under way at a number of companies.

K mart, for example, expects to have all its stores on its computerized communication system by this fall. Plugging all stores into KIN—an acronym for K mart Information Network—will also enhance the discounter's use of electronic mail by which its main-frame computer transmits orders direct to the computers of selected vendors.

KIN was first used to communicate store accounting and financial data to headquarters when the system was launched four years ago. The initial steps to transmit selected merchandise movement information have now been expanded as the discounter phases in minicomputer backroom controllers. They are generating a growing number of purchase orders, based on the merchandise information being captured at more and more stores.

The backroom controllers obtain sales and unit movement information from the discounter's electronic registers—which capture a small amount of hard lines sku numbers keyed in by salesclerks—and from wand scanning of UPC-marked shelf tags for the remaining hard goods categories and from scanning of magnetic tickets used for apparel.

The shelf tag scanning program is also due to go chainwide by the end of 1982. This effort has a UPC-marked label that includes a predetermined reorder quantity as part of the bar code. The tag also has a human readable minimum inventory level number; once the stock falls below this level, the clerk scans the tag to reorder.

Hills, which has had a sophisticated POS system in its stores for a number of years, is also installing backroom equipment to boost productivity.

The plan being phased in calls for two terminals and one printer for each store to handle electronic mail communications

Reasons For Changing POS Equipment

New Capabilities	71.0%
Product Obsolescence	71.0
Poor Vendor Support	35.0
New Store Openings	35.0
Cost	17.6
Complexity	5.9
Other	29.0

Source: POS Trends in the 80's

POS Merchandising Benefits Received By Discounters Not Initially Expecting Them

Reduced Inventory Levels	14%
Increased Inventory Turn	14
Reduced Markdowns	5
Increased Gross Margins	5

Source: POS Trends in the 80's

POS *Operational* Benefits Received By Discounters Not Initially Expecting Them

Faster Information	11%
More Accurate Information	50
Reduced Sales Audit	25
Additional Sales Information	8
Reduced Data Entry	7
Ability to Handle Peak Seasons	8
Improved Salesperson Productivity	8
Improved Store Image	17
Improved Payroll and Commission Data Collection	4
Reduced Shrinkage	7
Increased Sales	14

Source: POS Trends in the 80's

K mart Dividend

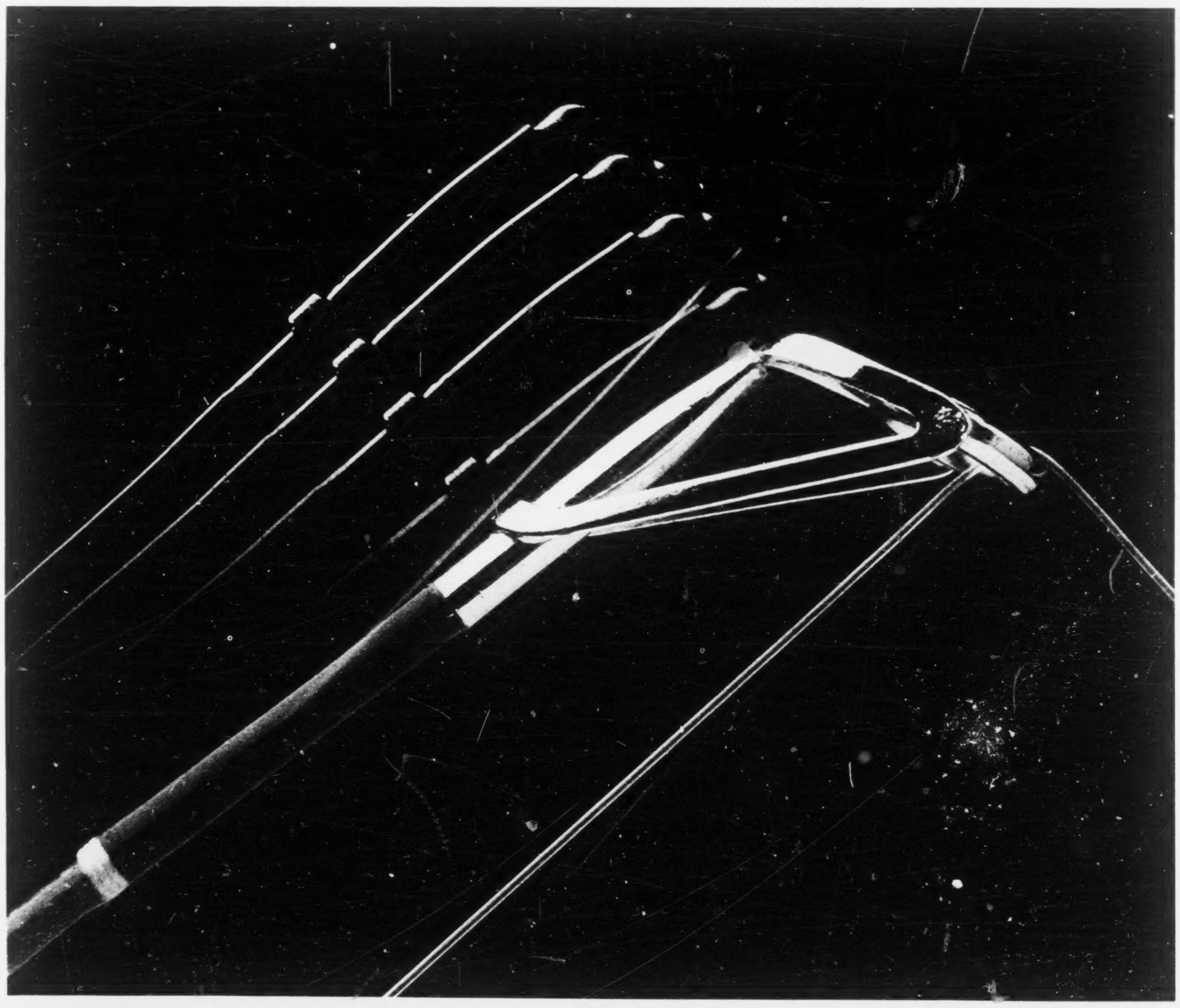
TROY, Mich.—The board of K mart has approved a dividend of 25¢ per share to be paid on Sept. 13, 1982, to holders of record on Aug. 20, 1982.

Strike

Daiwa introduces the Strike Rod.

Now you can offer the biggest breakthrough since the graphite rod: A top-quality graphite rod for less than $30 retail. The Daiwa Regal Strike.

Superb, unidirectional graphite construction from tip to butt gives your customers the performance of graphite. At the price of fiberglass.



EDP Equipment and Programs, Poll Finds

among units and between the store and headquarters. One benefit would be speeded up price change information, which now is sent via regular mail to each store.

The discounter last month installed a new main-frame computer at headquarters that has three times the combined power of the three older computers that were replaced. While the cost of the new equipment is about the same as that of the old computers, the new equipment has so much greater MIPS (million instructions per second) capability that the discounter gains from lowering its per MIPS cost.

Clover's moves include expanding its sku-numbered merchandise from about 40% of its mix to 98% by the end of the year to provide price look-up capability at the POS terminals starting in 1983. The terminals are on-line to the main computer; credit card authorization was added earlier when the computer was tied in to the central bank card file maintained by banks in the chain's markets.

Assigning sku numbers to all goods except for such items as greeting cards which would be marred by paste-on tags means that the discounter can develop department, category and item sales information for the hard lines areas that are joining apparel.

Checkout clerks can look up prices via the POS terminals as the registers are on line to the computer which will maintain this information for all sku-numbered goods.

The ultimate goal of the computerization moves under way at many discounters is summed up by Zayre's aim: developing a paperless merchandising system that will use electronic equipment to track merchandise from the placement of orders with manufacturers to the receiving of goods at warehouses and stores through the final sale to consumers, which will start the cycle again by automatically triggering new orders.

Electronic register setup in ShopKo includes use of Micro/Minicomputer Regulator, on shelf below POS, to monitor flow of electricity and guard against voltage changes that could damage computer equipment.

The discounter is using a team of in-house computer experts called Business Systems Interface (CSI) to oversee this long-range project.

CSI's most recent accomplishment was developing a "pull" replenishment program for basic merchandise in which store managers reorder basic goods. Managers used the minicomputer in their stores to track movement of basics and then to communicate the actual reorder to the warehouse serving that unit.

Putting reordering of basics in the hands of managers allowed Zayre to maintain centralized control over the two types of merchandise—fashion and promotional goods—that are subject to such variables as changes in style and deals from manufacturers.

The electronic equipment that is now a vital component of discounters' merchandising and operations at the store level is dependent on a steady source of electric power to remain operational.

Interruptions and variations in electric power that can disrupt and even wipe out the information captures by a POS terminal or a backroom controller present a problem for discounters.

ShopKo has addressed this problem by using two devices: a Micro/Minicomputer Regulator, which maintains the required line and load voltage, and a portable uninterruptable power source (UPS), which supplies electricity in case of blackouts.

The Micro/Minicomputer Regulator uses a constant voltage transformer to control voltage fluctuations, even in cases where brownouts cause voltage to drop as low as 65% of the required amount for extended periods.

The UPS uses a battery to provide a full load of power for 10 minutes, and is automatically recharged to full potential when electricity is restored.

POS Terminal Systems Used

Cash Register	97%
Register Balance	90
SKU Data Capture	79
On-line Transmission of Sales Transaction to a Store Minicomputer	62
Capture of Sales Transaction For Processing on a Central Computer via Transmission to Computer	59
Price Look-up	59
Print Descriptions on Sales Slips	52
Report Processing at Store Minicomputer or Terminal	52
Layaways	48
Inventory	48

Source: POS Trends in the 80's

Discounters noted more than two dozen uses for their POS systems. The top 10 uses and the percentages cited are listed in the chart.

Mfrs. Up Sales Of Video Items

WASHINGTON—Sales of major video items to retailers took off in July compared to a year ago, with the exception of projection televisions.

Color video camera sales climbed by 63.6% to 25,851 units, compared to 15,806 in July 1981, according to the Electronics Industries Association's Consumer Electronics Group. For the first 30 weeks of this year the increase topped 83%.

Home video cassette recorder sales to retailers jumped 61.5% over the year-earlier period, to 141,496 vs. 87,636. For the 30-week period the increase was 39.8%.

Overall, television sales to dealers also picked up during July. Color sets showed a 6.5% increase to 825,410 units. Although black and white sets showed a 7.3% increase for the month, sales for the year dropped 2.5%. Color TV sales for the year rose only 2.2%.

Sales of projection televisions dropped 29.5% for the month, with 7,726 units sold to retailers. The total for the 30-week period showed a drop of 12.7%.

it rich.

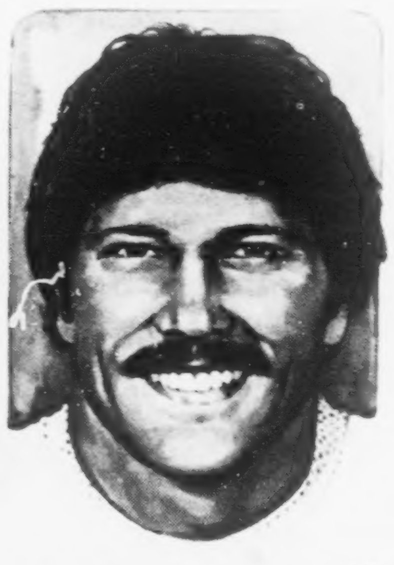
Daiwa introduces the Strike Force.

Joe Montana
San Francisco 49ers

Larry Bird
Boston Celtics

Willie Stargell
Pittsburgh Pirates

Bobby Allison
NASCAR Champ


Nolan Cromwell
Los Angeles Rams

Joe Montana, Larry Bird, Willie Stargell, Bobby Allison and Nolan Cromwell will be telling millions of anglers why the Strike rod is their choice.

And they'll be backed by the largest media blitz for a product introduction in Daiwa's history. With over 40 million people seeing the athletes' testimonies on how the Strike rod outperformed all other rods in its price category.

Daiwa introduces the Strike $3 Intro Offer

Fishermen can get $3 back on every Regal Strike rod. Which means you can advertise the Strike for $3 less at retail. And still make the profit on the full retail price.

With the Strike program you've got a top-quality graphite rod at fiberglass prices. The Strike Force to sell it for you. And the $3 Intro Offer.

That's the kind of program that'll bring customers to your store. Looking for Strike rods.

So don't let them off the hook. Make sure you're well-stocked.

Daiwa®
Rods and reels. Made for each other.

For more information send a postcard to: Daiwa Corporation, Department SRT-83, 14011 South Normandie Avenue, Gardena, CA 90249

Discounters' Store Count, Sales Projected For the Top Fifty Metropolitan Markets

RANK	METRO MARKETS	(b) Proj. No. of Stores Dec. '82	No. of Stores Dec. '81	(b) Proj. Sq. Footage (add 000)	(a) Proj. $ Discount Store Sales (add 000)	(c) Population (add 000)	Density (Sq. Ft. Per Person)	(c) No. of Households (add 000)	Effective Buying Income Per Household
1	New York	89	95	6,295	$ 780,174	8,991	0.70	3,514,700	$26,043
2	Los Angeles	120	131	8,478	1,051,920	7,558	1.12	2,780,700	26,878
3	Chicago	169	182	11,682	1,481,454	7,131	1.64	2,538,600	29,240
4	Philadelphia	112	112	7,910	981,792	4,698	1.68	1,665,000	26,887
5	Detroit	68	70	4,861	596,088	4,329	1.12	1,534,400	29,197
6	Boston	100	110	6,691	876,600	3,659	1.83	1,323,800	27,277
7	San Francisco	64	59	4.507	561,024	3,281	1.37	1,316,700	29,551
8	District of Columbia	50	46	3,525	438,300	3,083	1.14	1,146,000	33,191
9	Dallas-Fort Worth	93	89	6,554	815,238	3,082	2.13	1,138,300	28,741
10	Houston	81	74	5,709	710,046	3,073	1.86	1,110,100	30,752
11	Nassau-Suffolk, N.Y.	56	56	3,986	490,896	2,615	1.54	829,200	34,279
12	St. Louis	50	50	3,530	438,300	2,353	1.52	854,200	25,371
13	Pittsburgh	76	71	5,360	666,216	2,240	2.39	838,700	24,205
14	Baltimore	41	38	3,071	359,406	2,193	1.40	780,900	24,174
15	Minneapolis-St. Paul	43	38	3,030	376,938	2,146	1.41	795,800	26,101
16	Atlanta	35	29	2,463	306,810	2,110	1.17	766,000	25,276
17	Anaheim	59	63	4,137	517,194	2,026	2.04	736,600	30,573
18	San Diego	35	42	2,481	306,810	1,956	1.27	718,600	24,297
19	Newark	36	41	2,548	315,576	1,948	1.31	681,600	31,621
20	Cleveland	50	48	3,530	438,300	1,870	1.89	700,100	26,767
21	Miami	41	40	2,892	359,406	1,751	1.65	640,300	24,384
22	Denver	31	30	2,187	271,746	1,694	1.29	654,100	26,492
23	Tampa-St. Petersburg	37	37	2,886	324,342	1,654	1.74	683,100	19,098
24	Riverside-San Bernardino	26	31	1,842	227,916	1,645	1.12	591,100	22,885
25	Seattle	43	41	3,035	376,938	1,644	1.85	644,400	26,138
26	Phoenix	34	37	2,403	298,044	1,618	1.49	598,300	22,994
27	Cincinnati	56	56	3,961	490,896	1,406	2.82	511,400	24,749
28	Milwaukee	50	50	3,542	438,300	1,399	2.53	513,000	25,510
29	San Jose	44	41	3,133	385,704	1,341	2.37	486,900	35,087
30	Kansas City	43	41	3,034	376,938	1,339	2.27	508,400	26,474
31	Portland	37	34	2,659	324,342	1,277	2.08	501,200	23,989
32	Buffalo	38	38	2,681	333,108	1,223	2.19	448,600	23,622
33	New Orleans	55	53	3,879	482,130	1,214	3.20	438,900	25,880
34	Indianapolis	46	26	3,223	403,236	1,176	2.74	430,800	25,033
35	Columbus, Ohio	44	49	3,113	385,704	1,107	2.81	412,100	25,203
36	San Antonio	60	55	4,227	525,960	1,103	3.83	367,200	24,298
37	Fort Lauderdale	38	36	2,682	333,108	1,082	2.48	453,500	25,534
38	Sacramento	24	22	1,692	210,384	1,056	1.60	411,900	24,958
39	Hartford	30	27	2,114	262,980	1,052	2.01	380,700	28,521
40	Salt Lake City	29	29	2,056	254,214	973	2.11	316,800	22,743
41	Rochester, N.Y.	26	24	1,835	227,916	982	1.87	350,700	27,956
42	Memphis	31	28	2,182	271,746	927	2.35	324,600	23,613
43	Louisville	33	31	2,338	289,278	912	2.56	334,000	24,100
44	Nashville	53	51	3,748	464,598	873	4.29	317,900	23,126
45	Providence	27	27	1,906	236,682	869	2.19	318,700	23,764
46	Birmingham	42	40	2,962	368,172	861	3.44	315,100	22,064
47	Oklahoma City	28	27	1,964	245,448	857	2.29	327,200	25,994
48	Greensboro	24	26	1,591	210,384	843	1.89	311,900	22,410
49	Dayton, Ohio	20	25	1,438	175,320	826	1.74	306,100	25,146
50	Norfolk	30	28	2,116	262,980	820	2.58	276,000	23,171

(a) Sales are projected for total sq. ft. including connected supermarkets expected to be in operation at the end of the calendar year, using industry average sales-per-square-foot figures.
(b) DSN estimates.
(c) From the 1982 Sales & Marketing Management *survey of buying power.*

Discountland: 21-Year Record of Growth

YEAR	TOTAL SALES IN BILLIONS	TOTAL STORES	NET GAIN OF STORES	TOTAL SQ. FT. IN MILLIONS	DOLLARS PER SQ. FT.	AVG. SALES PER STORE IN MILLIONS	AVG. STORE SIZE IN THOUSANDS OF SQ. FT.
1982	$72.60	8,282	118	584	$124.32	$8.77	69.40
1981	66.60	8,164	428	576	115.58	8.15	70.58
1980	60.50	7,736	470	546	110.79	7.82	70.60
1979	55.00	7,266	375	513	107.15	7.57	70.60
1978	50.00	6,891	353	490	101.95	7.26	71.11
1977	47.00	6,538	396	468	100.00	7.19	71.58
1976	44.00	6,142	606	442	99.00	7.16	71.96
1975	38.00	5,536	126	399	95.00	6.86	72.07
1974 (a)	34.40	5,410	448	389	88.00	6.40	71.90
1973	31.50	4,962	248	350	88.32	6.27	70.54
1972	28.15	4,720	376	344	81.83	5.96	72.88
1971	25.60	4,344	333	306	83.66	5.89	70.44
1970	22.50	4,011	398	276	81.52	5.61	68.81
1969	18.44	3,613	306	244	75.57	5.10	67.53
1968	16.35	3,307	302	222	73.64	4.94	67.13
1967	13.61	3,005	321	199	68.39	4.53	66.22
1966	11.51	2,684	236	171	67.30	4.29	63.71
1965	9.82	2,448	219	151	65.00	4.01	61.68
1964	8.46	2,229	60	136	62.20	3.79	61.01
1963	7.51	2,169	144	122	61.55	3.46	56.25
1962	6.00	2,025	—	107	56.00	2.96	52.84

(a) Reflects 18-month period ended Dec. 31, 1974.

(Source: DSN Research)

70% of Makers Export Products, Survey Reports

INDIANAPOLIS—The Household Products Export Council, an organization formed under the auspices of the U.S. Department of Commerce, completed a survey which concluded that 70% of the manufacturers polled are currently exporting their products.

The study queried 770 manufacturers in the housewares, hardware, appliance, home center and furniture industries.

Responding firms currently exporting ranked the best export markets, in order of importance, as: Western Europe, Latin America, the Middle East, Asia/Far East, Australia/New Zealand, Africa and Eastern Europe.

The Other View

Only 4% of the responding firms said better than 30% of their business was done in foreign markets; 23% did 6%-10%; 60% did less than 5% of total volume in exports.

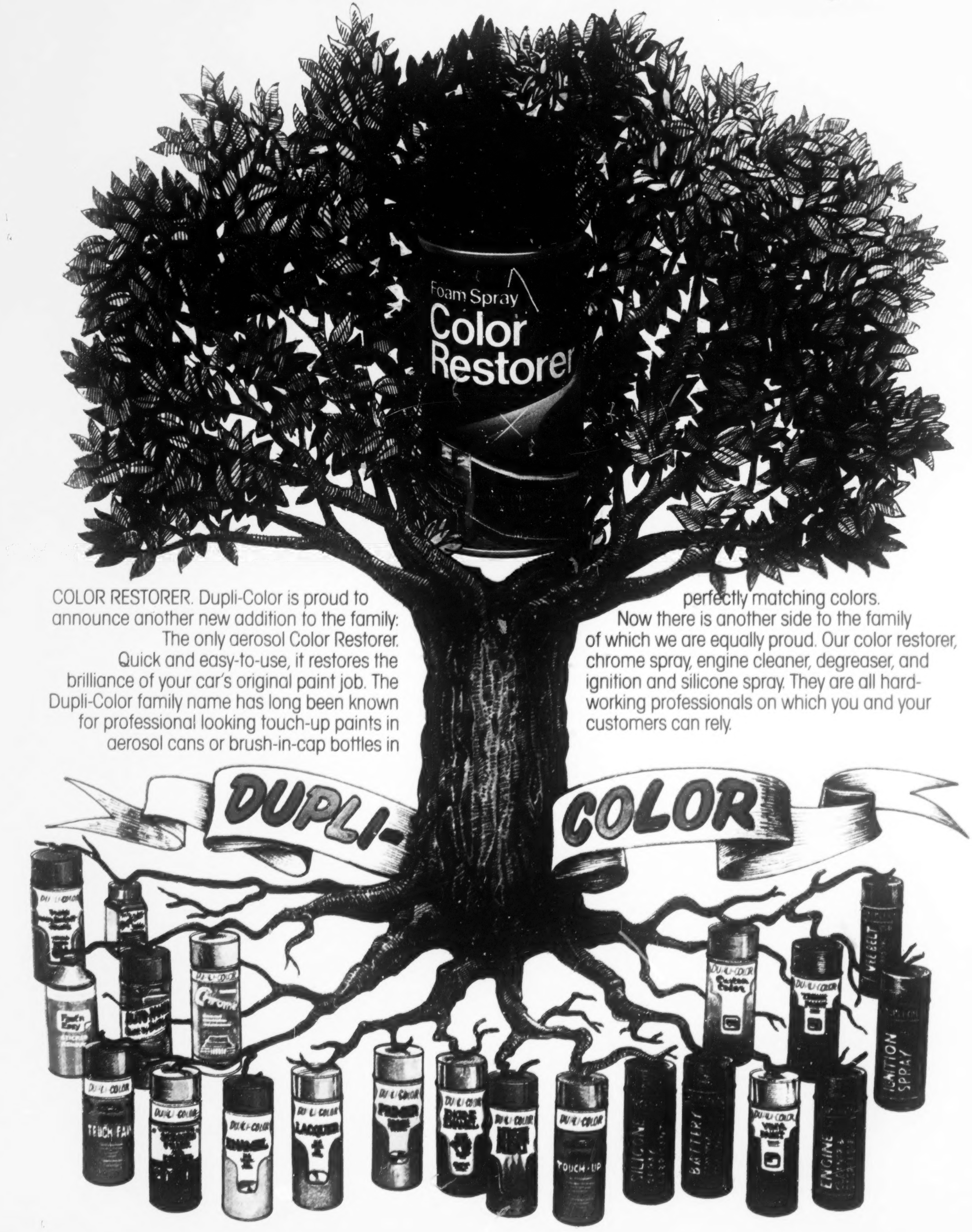
Nearly half the reporting companies (47%) expected their export sales to increase in the future; 18% saw them as declining.

The results of the survey included:

- Housewares: 390 manufacturers responded; 68% currently export, and 16% were interested in developing an export business.
- Cookware: 86% of the firms responding already export; the remainder were not interested in exports.
- Portable Appliances: Exports were being done by 90% of the responding firms.
- Major Appliances: 67% were exporting with another 7% interested in exporting in the future.
- Hardware: Almost 80% of the 140 firms responding export; another 11% were interested in exporting in the future.
- Furniture: Only 35% of the responding firms export; another 20% were interested in future export sales.

READ
CLASSIFIED ADS

New addition to the family.



COLOR RESTORER. Dupli-Color is proud to announce another new addition to the family: The only aerosol Color Restorer. Quick and easy-to-use, it restores the brilliance of your car's original paint job. The Dupli-Color family name has long been known for professional looking touch-up paints in aerosol cans or brush-in-cap bottles in perfectly matching colors.

Now there is another side to the family of which we are equally proud. Our color restorer, chrome spray, engine cleaner, degreaser, and ignition and silicone spray. They are all hard-working professionals on which you and your customers can rely.

Southeastern States Hold Lead in Stores With 1,808

Region	Proj. No. Disc. Stores Dec. '82	No. Disc. Stores Dec. '81	No. Disc. Stores Dec. '80	% Gain (Loss) 1982	Proj. Sq. Footage Dec. '82 (add 000)	Sq. Ft. Dec. '81 (add 000)	Sq. Ft. Dec. '80 (Add 000)	% Gain (Loss) 1982
SOUTHEAST Ala., Fla., Ga., Ky., Miss., N.C., S.C., Tenn., Va., W. Va.	1,808	1,740	1,595	3.9	122,623	117,841	107,680	4.1
EAST CENTRAL Ill., Ind., Mich., Ohio, Wis.	1,605	1,593	1,541	0.7	118,389	117,586	113,918	0.7
SOUTHWEST Ariz., Ark., La., N.M., Okla., Tex.	1,291	1,242	1,143	3.8	80,120	76,651	69,664	4.5
MIDDLE ATLANTIC D.C., Del., Md., N.J., N.Y., Pa.	1,243	1,249	1,216	(0.4)	100,098	99,757	97,361	0.3
WEST CENTRAL Iowa, Kan., Minn., Mo., Neb., S.D., N.D.	790	770	723	2.6	53,876	52,443	49,132	2.7
PACIFIC Alaska, Calif., Hawaii, Ore., Wash.	681	707	687	(2.0)	51,052	52,856	51,446	(3.5)
NEW ENGLAND Conn., Me., Mass., N.H., R.I., Vt.	613	622	602	(1.4)	41,521	42,215	40,804	(1.7)
MOUNTAIN Colo., Idaho, Mont., Nev., Utah, Wyo.	251	241	229	4.1	16,202	15,507	14,661	4.5

The Southeastern States continue to lead the industry with the highest concentration of discount stores, 1,808 or 22% of the total.

Through the 70's the East Central States—Illinois, Indiana, Michigan, Ohio and Wisconsin—led the field. In 1979, for example, the five-state region held 20% of the industry's then 7,266 units. This year, the area accounted for 19% of the 8,282 stores in the industry.

The largest gain this year was made by the Southwestern region—Arizona, Arkansas, Louisiana, New Mexico, Oklahoma and Texas—as T.G. & Y., Target, K mart and Wal-Mart all built up their store bases in the area. The Southwestern states edged out the Middle Atlantic States for third place.

Next year, the area should grow even larger. Wal-Mart has already announced its plans to open almost half of the 80 new stores slated for next year in the state of Texas. Other chains also have plans for the area. Obviously, new-store growth is riding closely on the coattails of the country's population shifts.

The Southwest region now contains 16% of the industry's stores.

Downward Spiral

The Middle Atlantic States—Delaware, Maryland, New Jersey, New York, Pennsylvania and the District of Columbia—which posted the smallest gains last year, are down half a percentage point this year. The decline in store count is in part due to the closing of King's stores, many of which are expected to be picked up by other chains by the end of the year.

The shuttering of the remainder of the FedMart chain's 68 units wasn't offset either by new openings by large chains like Fred Meyer and Zodys or the birth of new discounting independents who picked up several of the stores. The region finished the year with 26 stores fewer than it had a year ago for a final count of 681. (The FedMart stores recently bought by Target won't be opened until early 1983.)

In New England, 61 store closings by King's took its toll on the industry and was only partially offset by openings by Ann & Hope, Caldor, Bradlees and K mart.

Introducing Chameleon™ sunglasses with new SunSensor® lenses.
They change from light to dark to folding green.

New Chameleon sunglasses are about to change your sunglass business into big business.

New Chameleon sunglasses—backed by the biggest advertising commitment in Corning history. Provocative TV commercials on network prime time will ensure fast turns. Supported by five times the spending level behind SunSensor® lenses in 1982.

New Chameleon sunglasses—the only sunglasses with new, high performance SunSensor® lenses that change faster than ever. In 14 new varieties including gradients, mirrors and special driving lenses.

New Chameleon sunglasses—a full line of original styles. Specifically targeted, spanning key price points, with superb fit, quality and value at each price point.

Get in on this exciting new sunglass spectacular. Find out about Corning's in-store promotion and entire sales program from any of these exclusive full service distributors. They'll be happy to change your whole outlook about sunglasses!

Chameleon Sunglass Distributors:

The Bonneau Company
Dallas, Texas 75234
(214) 241-3484

Cable Car Sunglasses
Mountain View, California 94042
(415) 967-8681

Federal Wholesale Company
Hubbard, Ohio 44425
(216) 534-1171

Halmar Distributors, Inc.
Holyoke, Massachusetts 01040
(413) 536-2051

Royal Optical Company
Santa Clara, California 95050
(408) 727-4040

Sun Glass Products, Inc.
Fullerton, California 92633
(714) 526-6675

Houston, Texas 77043
(713) 932-0721

West Chicago, Illinois 60185
(312) 231-8802

Worldwide Sundries, Inc.
Gardena, California 90248
(213) 532-1524

The Zamoiski Co.
Baltimore, Maryland 21223
(301) 644-2900

Or contact Corning Sunglass Products at (800) 847-1668.
If dialing in New York, call the New York City Showroom at (212) 867-0790.

Chameleon
DRIVER

CHAMELEON and THEY'LL CHANGE YOUR WHOLE OUTLOOK are trademarks, and SUNSENSOR is a registered mark of Corning Glass Works, Corning, New York 14831.

Discount Store Population, Sales Projected on State-by-State Basis

STATES	Proj. No. of Stores Dec. '82	No. of Stores Dec. '81	Proj. Square Footage Dec. '82 (Add 000)	Square Footage Dec. '81 (Add 000)	Density (Square Foot Per Person)	Projected Net Gain (loss) '82		*Projected 1982 Discount Store Sales		** Total Retail Sales (Add 000)	Per Cent of Total Retail Sales
						No. Stores	Footage (Add 000)	Including Supermarkets (Add 000)	General Merchandise Only (Add 000)		
Alabama	196	190	11,207	10,791	2.82	6	416	$1,718,136	$1,576,232	$15,183,499	10.3
Alaska	3	3	240	240	0.59	0	0	26,298	24,126	2,590,348	0.9
Arizona	101	95	7,526	7,110	2.59	6	416	885,366	812,242	11,930,355	6.8
Arkansas	220	211	10,777	10,152	4.59	9	625	1,928,520	1,769,240	9,879,829	17.9
California	480	511	37,444	39,595	1.53	(31)	(2,151)	4,207,680	3,860,160	118,937,068	3.2
Colorado	95	91	6,465	6,187	2.14	4	278	832,770	763,990	15,018,886	5.1
Connecticut	166	164	12,423	12,284	3.99	2	139	1,455,156	1,334,972	14,104,957	9.5
Delaware	26	26	1,960	1,960	3.27	0	0	227,916	209,092	2,901,199	7.2
D.C.	4	4	298	298	0.47	0	0	35,064	32,168	2,563,554	1.2
Florida	271	260	22,665	21,902	2.19	11	763	2,375,586	2,179,382	53,491,914	4.1
Georgia	180	173	15,476	14,990	2.80	7	486	1,577,880	1,447,560	24,007,819	6.0
Hawaii	21	21	1,085	1,085	1.11	0	0	184,086	168,882	4,810,119	3.5
Idaho	29	28	1,679	1,610	1.70	1	96	254,214	233,218	4,479,198	5.2
Illinois	354	357	25,608	25,846	2.23	(3)	(208)	3,103,164	2,846,868	51,723,145	5.5
Indiana	282	279	18,939	18,731	3.42	3	208	2,472,012	2,267,844	23,724,711	9.6
Iowa	134	129	8,220	7,873	2.80	5	347	1,174,644	1,077,628	14,164,259	7.6
Kansas	143	139	8,433	8,155	3.52	4	278	1,253,538	1,150,006	11,143,084	10.3
Kentucky	180	170	11,046	10,352	2.95	10	694	1,577,880	1,447,560	15,512,085	9.3
Louisiana	181	175	10,033	9,617	2.32	6	416	1,586,646	1,455,602	17,807,217	8.2
Maine	47	50	2,662	2,870	2.32	(3)	(208)	412,002	377,974	5,282,693	7.2
Maryland	117	113	8,938	8,660	2.09	4	278	1,025,622	940,914	21,596,785	4.4
Massachusetts	261	266	17,295	17,642	3.00	(5)	(347)	2,287,926	2,098,962	27,759,004	7.6
Michigan	253	250	21,135	20,927	2.26	3	208	2,217,798	2,034,626	43,786,627	4.6
Minnesota	139	137	8,885	8,746	2.15	2	139	1,218,474	1,117,838	19,721,240	5.7
Mississippi	135	130	6,877	6,530	2.66	5	347	1,183,410	1,085,670	8,706,586	12.5
Missouri	210	206	20,031	19,753	4.03	4	278	1,840,860	1,688,820	22,740,257	7.4
Montana	22	21	1,319	1,249	1.64	1	69	192,852	176,924	4,100,098	4.3
Nebraska	96	93	5,211	5,003	3.28	3	208	841,536	772,032	7,350,816	10.5
Nevada	35	33	2,589	2,450	3.04	2	139	306,810	281,470	5,222,610	5.3
New Hampshire	70	72	4,143	4,351	4.34	(2)	(139)	613,620	562,940	4,912,319	11.5
New Jersey	207	213	20,494	20,078	2.77	(6)	(416)	1,814,562	1,664,694	33,994,652	4.9
New Mexico	83	81	4,872	4,664	3.58	2	139	727,578	667,486	6,229,443	10.7
New York	442	451	36,908	37,608	2.11	(9)	(625)	3,874,572	3,554,564	72,661,338	4.9
North Carolina	204	196	13,788	13,233	2.29	8	555	1,788,264	1,640,568	23,788,814	6.9
North Dakota	33	33	1,598	1,598	2.43	0	0	289,278	265,386	3,403,498	7.8
Ohio	566	562	41,174	40,896	3.80	4	278	4,961,556	4,551,772	46,994,649	9.7
Oklahoma	152	147	8,649	8,302	2.78	5	347	1,332,432	1,222,384	15,005,002	8.1
Oregon	93	90	6,001	5,793	2.20	3	208	815,238	747,906	13,861,576	5.4
Pennsylvania	447	442	31,500	31,153	2.65	5	347	3,918,402	3,594,774	49,719,316	7.2
Rhode Island	39	39	3,293	3,293	3.47	0	0	341,874	313,638	3,682,235	8.5
South Carolina	126	121	8,086	7,739	2.52	5	347	1,104,516	1,013,292	12,695,328	8.0
South Dakota	35	33	1,528	1,320	2.18	2	139	306,810	281,470	3,336,266	8.4
Tennessee	193	186	11,386	10,900	2.52	7	486	1,691,838	1,552,106	18,728,542	8.3
Texas	554	533	38,263	36,806	2.59	21	1,457	4,856,364	4,455,269	80,394,593	5.5
Utah	40	40	2,663	2,663	1.78	0	0	350,640	321,680	6,080,650	5.3
Vermont	30	31	1,705	1,775	3.26	(1)	(69)	262,980	241,260	2,262,004	10.6
Virginia	202	196	14,939	14,453	2.73	6	416	1,770,732	1,624,484	26,163,900	6.2
Washington	84	82	6,282	6,143	1.47	2	139	736,344	675,528	20,122,352	3.4
West Virginia	121	118	7,153	6,945	3.59	3	208	1,060,686	973,082	8,606,006	11.3
Wisconsin	150	145	11,533	11,186	2.42	5	347	1,314,900	1,206,300	20,189,375	6.0
Wyoming	30	28	1,487	1,348	2.98	2	139	262,980	241,260	2,984,838	8.1

* *DSN estimate based on average volume per square foot, and projected square feet for the calendar year.*

** *Total retail sales are taken from the 1982* Sales & Marketing Management *survey of buying power.*

BEST AVAILABLE COPY

Trend to Smaller New Stores Is Growing

SQUARE FOOTAGE	Projected Dec. 31, 1982		As of December 31, 1981		% Change in No. of Stores Projected 1982 vs. 1981
	No. of Stores	% of Total	No. of Stores	% of Total	
10,000 to 19,999	638	7.7	634	7.8	+ 0.6
20,000 to 29,999	555	6.7	552	6.8	+ 0.5
30,000 to 39,999	696	8.4	689	8.4	+ 1.0
40,000 to 49,999	1,023	12.4	985	12.1	+ 0.4
50,000 to 59,999	783	9.5	766	9.4	+ 2.2
60,000 to 69,999	871	10.5	884	10.8	− 1.5
70,000 to 79,999	617	7.4	605	7.4	+ 2.0
80,000 to 89,999	906	10.9	885	10.8	+ 2.4
90,000 to 99,999	326	3.9	316	3.9	+ 3.2
100,000 to 119,999	1,353	16.3	1,340	16.4	+ 1.0
120,000 to 139,999	185	2.2	178	2.2	+ 4.0
140,000 to 149,999	57	0.7	61	0.7	− 7.0
150,000 to 199,999	190	2.3	187	2.3	+ 1.6
200,000 and larger	82	1.0	82	1.0	NC
TOTAL	8,282	100.0	8,164	100.0	+10.4

NC = No change

Source: DSN research

For the second year in a row, discounters opened more stores in the 40,000-49,000-sq.-ft. size range than in any other configuration.

Thirty-two per cent of the 118 stores netted by the industry in 1981 were in this size range—evidence that discounters are sticking to their promises and their blueprints to lower operating costs in the 80's by downscaling their stores.

The 40,000-49,000-sq.-ft. category currently accounts for 1,023 stores or 12% of the industry. It is the second largest size category and is rapidly gaining ground on the size leader, the 100,000-119,999-sq.-ft. stores which were the mainstay of the industry in the 70's.

The range owes much of its current popularity to Wal-Mart whose ambitious store expansion plans call for approximately 63 stores in this size bracket to be opened during 1982 and another 80 during 1983.

More Stores

Roses, Murphy's Mart and Heck's are adding another 40-odd stores to this category during the year—although many of them are takeover units, like Heck's takeover of the Singleton Stores, and therefore don't add to the store count of the industry.

In the larger ranges, Target's opening of 16 new stores this year swells the 100,000-119,999-sq.-ft. bracket. It doesn't plan to reopen the 33 FedMarts it recently acquired until 1983. Many of those former FedMarts, however, will not reopen to their full previous size. Target will be sharing space with the Ralphs supermarket chain in several locations.

FedMart's closing along with shutterings by King's, Twin Fair, Mays Family Centers and others account for a net loss in the 60,000-69,999-sq.-ft range.

K mart continues to open stores in the 50,000-59,999-sq.-ft. range with approximately 70 to go on-stream this year, although most of them are takeovers. T.G. & Y.'s plans to open approximately 20 stores in this size range also contributes to gains made by this bracket.

Stores under 60,000 sq. ft. now account for 45% of the industry, while stores above 100,000 sq. ft. comprise under 23% of the industry.

Quaker State is more than just America's quality motor oil company.
Did you know we market anti-freeze and oil filters?
And how about transmission and brake fluids?
Or fine motorcycle, outboard, and snowmobile oils?
And gear oils and greases?
Fill your shelves with quality car care products from Quaker State.

Call your Quaker State sales representative or local distributor today.

QUAKER STATE
BRAKE FLUID
ANTI-FREEZE COOLANT
HD 2-STROKE MOTOR OIL
AUTOMATIC TRANSMISSION FLUID
OIL FILTER
RACING MOTOR OIL
MOTOR OIL
DeLuxe
Sterling

Quaker State: Pipeline to profits.

Discounter Salaries Found Highest in West

NEW YORK—If you're embarking on a retailing career with a discount chain, consider heading west for a merchandising spot in women's apparel.

That's where salary levels are now the highest, according to surveys by Roth Young Personnel Service, one of the country's largest retail placement services with 29 offices across the country.

David Roth, president of the company, said, "Traditionally, the East and the West Coast have been like bookends, the high ends in base salary levels for all positions."

Promising Area

He added that one of the significant revelations of the five-year salary review by region, developed specifically for *DSN*, was that in every position examined the Southern states showed the most dramatic salary increases.

The base salary for trainees in the South jumped 49% since 1977; buyers, 46%; merchandise managers, 48%, and district managers, 48%.

While the survey showed the South and the Midwest catching up to the East and West Coast in salaries, in all four positions the West Coast was still at the head of the pack.

The East had the lowest salary growth in each retailing career level. As a result, the East wound up as lower paying than the South for trainees and buyers. The region paid less than the South, Midwest and West at the district manager level, but the East retained its 1977 rank as the second highest paying region for merchandise managers.

The buyer/merchandise manager salary survey by merchandise area showed that discounters are paying more for apparel merchandising talent, particularly in the women's areas.

Merchants in the women's dress and sportswear departments received the highest base compensation at the low, median and high levels. Fashion accessory buyers were the lowest paid group.

The survey, however, showed greater differences between the salaries of soft lines and hard lines merchandise managers than between soft lines and hard lines buyers.

Women's ready-to-wear merchandise managers were way ahead with compensation starting at about $38,000 and topping out at $70,000. The closest salary contenders were the men's and boys' apparel merchandise managers at starting salaries of $31,000 with the potential for around $60,000.

The Other View

In contrast, merchandise managers in hard lines, major appliances and home furnishings had a salary potential up to the $56,000 area.

Roth said, "Salaries at almost all levels have been going up about 9% a year for the past three years with cost-of-living, chain size, profitability and competition for people all reflected in whether compensation is at the lower or higher end of the salary range."

He also pointed out that pressure for big jumps in salaries has been countered by discounters' efforts to hold the salary line.

Although 80% of Roth Young's placement is with discounters, Roth also sees more two-way traffic between conventional department stores and discounters.

"In the past there was more crossing over from the conventional to the discount store. But, the department store prejudice against taking people from discounters is beginning to crumble. The conventionals are looking more closely at an individual's talents, instead of focusing primarily on his retail background."

Discount Stores: Salary Survey Of Buyer, Merchandise Managers*

BUYERS	Low (Add 000)	Median (Add 000)	High (Add 000)
Men's/Boys'/Apparel	$24-$31	$31-$37	$38-$40
Women's (Coats, Suits)	25- 30	32- 38	40- 42
Women's (Dresses, Spts.)	27- 35	36- 41	43- 53
Fashion Accessories	22- 27	29- 32	33- 36
Footwear	25- 33	34- 40	40- 46
Hard Lines	24- 30	31- 40	41- 45
Major Appliances	24- 27	28- 34	35- 40
MERCHANDISE MANAGERS			
Men's/Boys'/Apparel	31- 40	41- 46	50- 60
Women's RTW	38- 40	45- 52	60- 70
Hard Lines	32- 38	40- 44	45- 56
Major Appliances	30- 38	40- 42	44- 56
Home Furnishings	30- 38	40- 42	44- 56

**Base salary data gathered from discounters across the country in 1981; collated and released in 1982.*

Source: Roth Young Personnel Service Inc.,
Mass Retail Industry 1982 Wage & Salary Review

Discount Stores: 5-Year Salary Review by Region

Position	Region	Salary: 1977*	1982*	% Increase
Trainees	East	$ 9,875	$12,700	29
	Midwest	8,525	11,400	34
	South	8,725	13,025	49
	West	10,800	14,250	32
Buyers	East	23,525	29,650	26
	Midwest	21,100	28,900	37
	South	22,925	33,400	46
	West	24,650	35,000	42
Mdse. Mgrs.	East	29,900	37,000	24
	Midwest	25,850	34,000	32
	South	24,600	36,500	48
	West	32,475	41,500	28
District Mgrs.	East	20,325	25,000	23
	Midwest	22,500	30,125	34
	South	17,725	26,525	49
	West	22,625	31,000	37

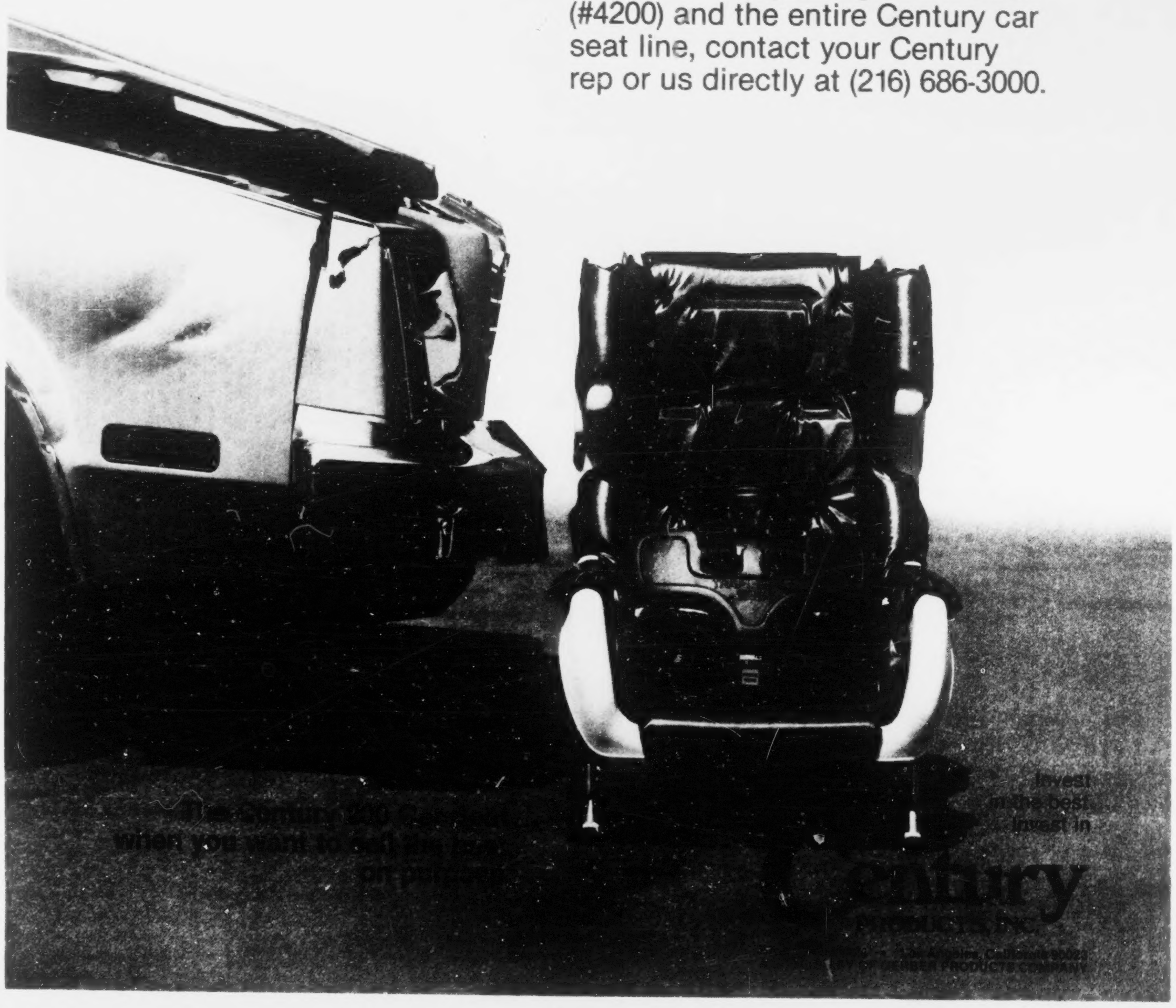
**Salaries listed were drawn from actual job placements and represent the average base compensation of the majority placed in each position. Those placed at a typically high salary levels weren't included in the average.*

Source: Roth Young Personnel Service Inc.

IT'S NO ACCIDENT WE'RE #1

These days it's certainly rewarding to be in a business where you're selling *safety* as much as *quality*. By carrying the Century 200 Car Seat, the top rated safety car seat in the country, you can be confident in knowing you are giving your customers what they want most–the best seat available! For comfort, convenience and optimum protection, the Century 200 outnumbers the competition.

Meets Federal Safety Standard 213-80; comes with a full color lifesize point-of-sale. For more information regarding this model (#4200) and the entire Century car seat line, contact your Century rep or us directly at (216) 686-3000.



Discount Store Census '82/'83

FedMart Top Single-Market TV Spender in 1st Quarter

NEW YORK—The big spenders for television advertising in single markets for the first quarter were either going out of business; located in the Sunbelt, and/or supporting new and expanding markets.

According to the Television Bureau of Advertising, FedMart—which was conducting going-out-of-business sales—catapulted to the top of the charts as No. 1 local TV advertiser in a single market.

FedMart's first-quarter spending of $779,700 was a 185% increase over the same period last year, and was more than twice the TV expenditures of its Los Angeles discount competition.

Gemco, with a 47% increase in spending during the first quarter, ranked No. 2 among the top 15 and No. 2 in the Los Angeles market.

The competitive heat in Los Angeles during this period tumbled Fred Meyer into third place nationwide. This chain had finished 1981 as the top local-TV spender in a single market with its aggressive budget of close to $2 million in its home base of Portland.

With FedMart's exit from the Los Angeles market, TV spending measurements for the second half of 1982 will, no doubt, show Gemco and Zodys jockeying for the top position.

In Los Angeles, the chain currently in residence will be squaring off with another aggressive TV advertiser in 1983 when Target enters the market.

Important Role

First-quarter results are a clear indication of the heavy TV advertising support Target gives its new stores. The chain made the top 15 list with $286,200 spent in Dallas/Fort Worth and $166,400 spent in Houston.

In Dallas/Fort Worth, Wal-Mart, another relative newcomer to the market, increased its spending by 178% and slightly outspent Minneapolis-based Target.

Target was, however, the only chain in the Houston market to rank among the top 15 with its first-quarter TV budget at $166,400, a 283% increase.

Wal-Mart snared four of the top 15 spots with large TV budgets in the chain's expanding markets of Dallas/Fort Worth, Shreveport, Nashville and Oklahoma City.

The local TV spending tally by market for the first quarter showed a big shift from the top 15 listing for the full year of 1981.

Last year, three major northern markets were represented among the top 15: New York, Boston and Chicago. Chains in these markets took six of the top 15 places.

This year, so far, only Fortunoff in New York made the list of the top 15 spenders in a single market. All the rest were located in the West or the Southeast.

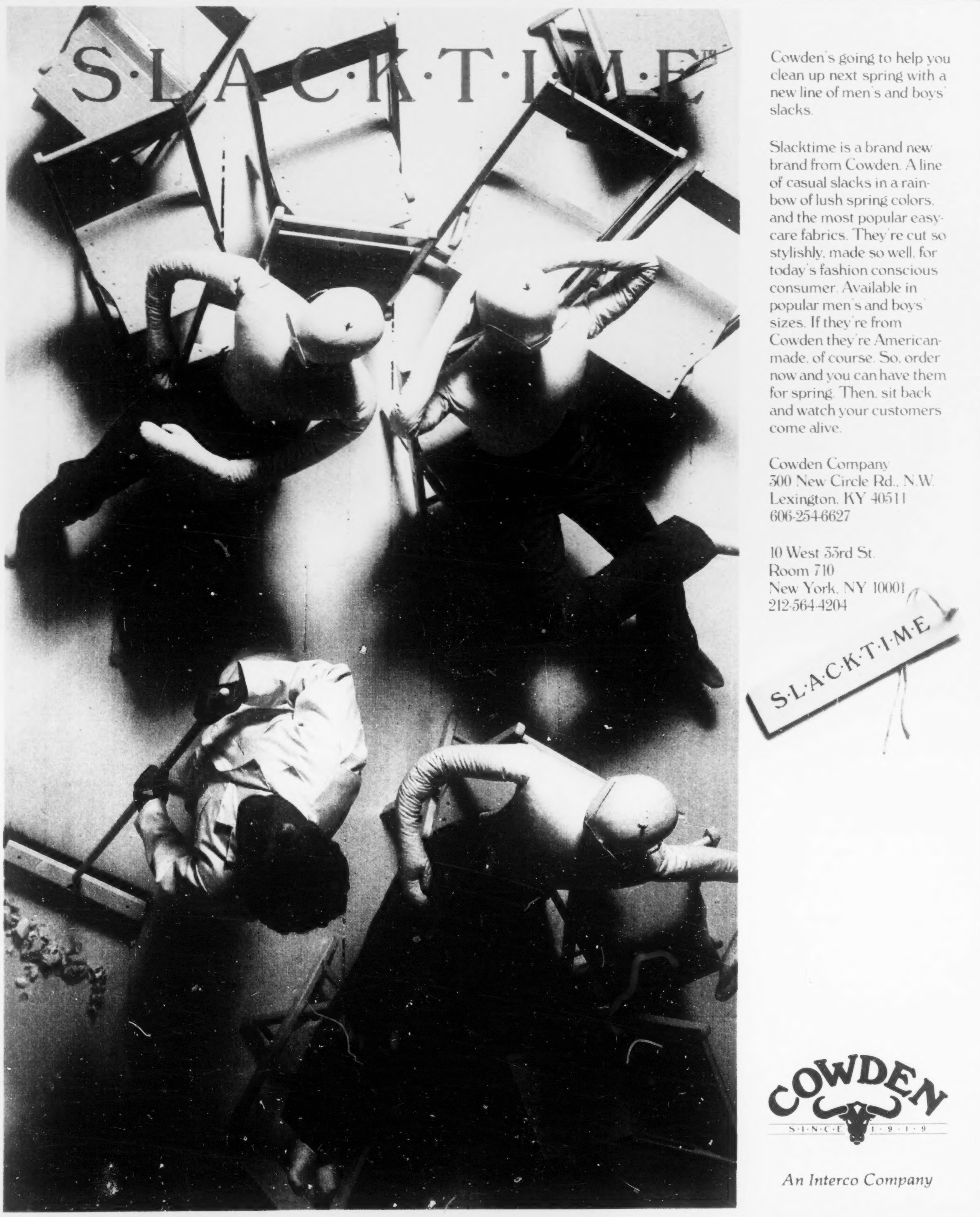
Just as interesting, it was discount chain TV spending in such smaller markets as Shreveport, Nashville and Charlotte that toppled such chains as Bradlees in the Boston market and Venture in Chicago from the top 15 list.

Top 15 Discount Chains: Local TV Advertisers in a Single Market*

Chain	Market	Jan./Mar. '81	Jan./Mar. '82	% Change
FedMart	Los Angeles	$ 273,200	$ 779,700	+185
Gemco	Los Angeles	247,900	364,500	+ 47
Fred Meyer	Portland	338,800	338,600	-0-
Wal-Mart	Dallas/Fort Worth	112,100	311,600	+178
Target	Dallas/Fort Worth	—	286,200	+inf.
Wal-Mart	Shreveport	63,700	255,900	+302
Zodys	Los Angeles	175,300	242,500	+ 38
FedMart	San Diego	169,900	229,100	+ 35
Fortunoff	New York	56,800	222,000	+291
Wal-Mart	Nashville	37,600	198,100	+427
Gemco	San Francisco	119,300	177,300	+ 49
Richway	Charlotte	30,200	175,100	+480
Wal-Mart	Oklahoma City	38,000	174,200	+358
Target	Houston	43,500	166,400	+283
Smitty's	Phoenix	152,000	159,300	+ 5
Total Top 15		1,858,300	4,080,500	+120

**National chains (K mart and Woolco, for example) aren't included. Most co-op activity is credited by BAR to the manufacturer and not to the chain advertisers.*

Source: Television Bureau of Advertising based on Broadcast Advertisers Reports (BAR) figures.



Cowden's going to help you clean up next spring with a new line of men's and boys' slacks.

Slacktime is a brand new brand from Cowden. A line of casual slacks in a rainbow of lush spring colors, and the most popular easy-care fabrics. They're cut so stylishly, made so well, for today's fashion conscious consumer. Available in popular men's and boys' sizes. If they're from Cowden they're American-made, of course. So, order now and you can have them for spring. Then, sit back and watch your customers come alive.

Cowden Company
300 New Circle Rd., N.W.
Lexington, KY 40511
606-254-6627

10 West 33rd St.
Room 710
New York, NY 10001
212-564-4204

COWDEN
S·I·N·C·E 1·9·1·9

An Interco Company

Wal-Mart No. 1 '81 Outlayer of Local TV $$

NEW YORK—Wal-Mart was the biggest discount store spender in local spot television advertising in 1981, and the chain continued to hold the No. 1 position during the first quarter of 1982.

Figures just released by the Television Bureau of Advertising show Wal-Mart's spending for the first quarter increased to $1,733,500, a 127% gain over the same period last year.

The only discounter to boost its local TV budget more than Wal-Mart during the first quarter was Target. Its 227% increase brought spending up to $1,104,000. This figure put Target in the No. 3 spot among the top 15 local TV advertisers in discountland.

Second place was taken by FedMart. The chain finished 1981 in seventh position among the top 15. But, its going-out-of-business sales during the first quarter of 1982 were accompanied by a 65% increase in local television spending. This pushed the chain near the top of the list, just behind Wal-Mart.

Advertising Procedures

Wal-Mart, FedMart and Target, the top three, were the only chains to spend more than $1 million during the first quarter; Wal-Mart pushed close to the $2 million mark.

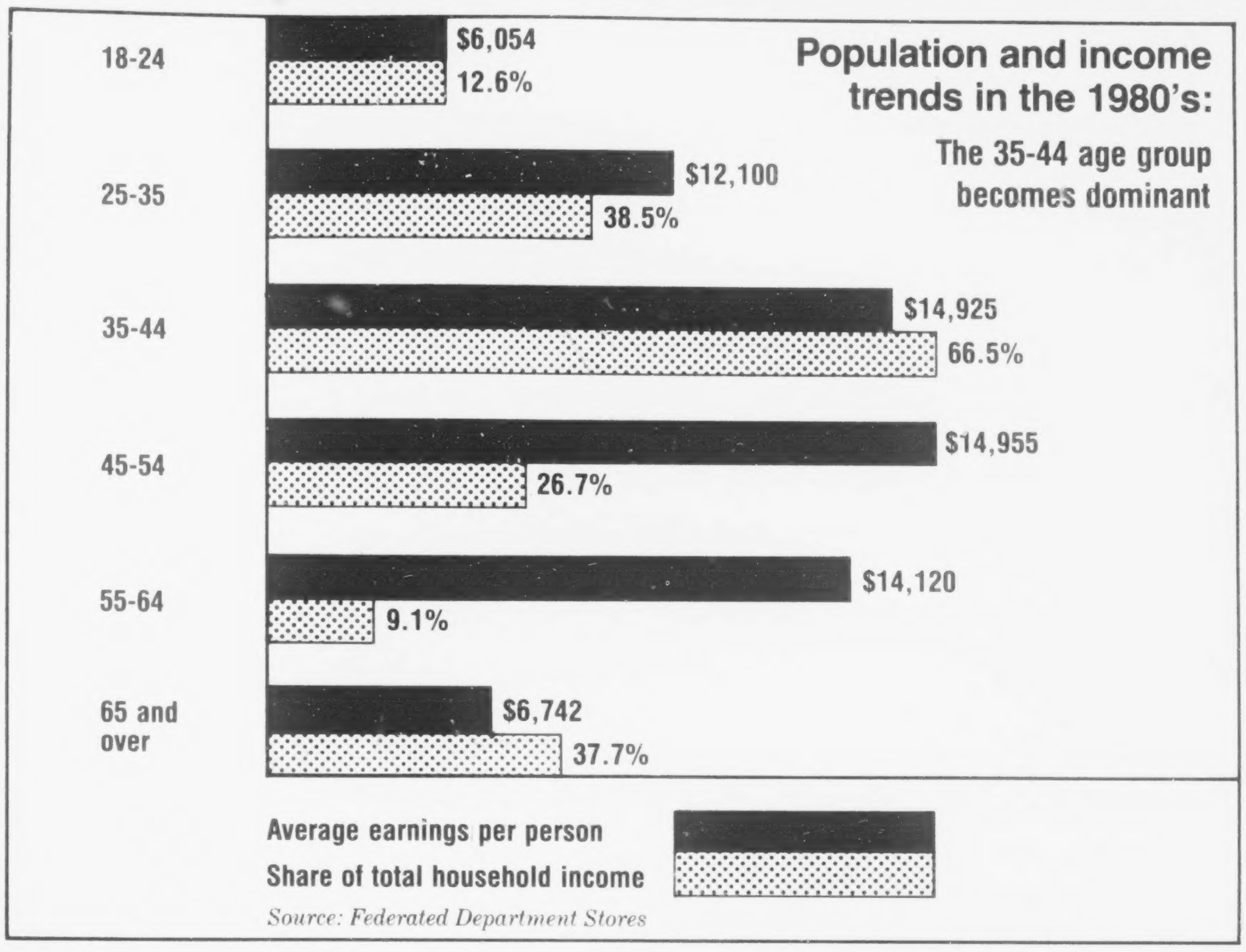
If Wal-Mart continues to increase its local TV expenditures at the same rate of increase as it chalked up in the first quarter, it will finish 1982 with spending well beyond the $7,327,300 spent in 1981.

Two other chains that increased local TV spending dramatically in the first quarter were Venture and Richway.

K mart's 69% first-quarter decline in local TV spending is somewhat misleading. The chain's total ad budget for fiscal 1982 was slated to be 6.8% higher than 1981, reaching approximately $400 million.

But, K mart held up its big advertising push for the second-quarter start of its 20th anniversary ad campaign.

Population, Income Trends



Population and income trends in the 1980's:

The 35-44 age group becomes dominant

Source: Federated Department Stores

How Leading Suburbs Are Making Out

Rank Metro Suburb	1981 Suburban Population (Add 000)	% of Metro Population	% Change 1980-81
1. Los Angeles-Long Beach	4,203.0	55.6	+1.3
2. Chicago	4,183.3	58.7	+2.1
3. Detroit	3,180.8	73.5	+1.0
4. Philadelphia	3,059.6	65.1	+1.0
5. Boston	2,812.2	76.9	+0.4
6. Nassau-Suffolk, N.Y.	2,615.3	100.0	+0.4
7. Washington, D.C.	2,470.1	80.1	+2.0
8. San Francisco-Oakland	2,272.2	69.3	+1.7
9. New York	2,045.8	22.8	−0.1
10. St. Louis	1,926.6	81.9	+1.3
11. Pittsburgh	1,831.0	81.8	−0.5
12. Dallas-Fort Worth	1,790.4	58.1	+6.2
13. Atlanta	1,697.4	80.5	+5.8
14. Newark, N.J.	1,627.7	83.6	−0.5
15. Minneapolis-St. Paul	1,522.2	70.9	+3.3
16. Anaheim-Santa Ana-Garden Grove, Calif.	1,464.3	72.3	+5.9
17. Baltimore	1,428.8	65.2	+3.0
18. Houston	1,414.0	46.0	+7.8
19. Miami	1,345.8	77.4	+5.9
20. Cleveland	1,324.8	70.8	0.0
21. Riverside-San Bernardino-Ontario, Calif.	1,254.3	76.3	+6.4
22. Tampa-St. Petersburg	1,147.3	69.4	+8.1
23. Denver-Boulder	1,129.3	66.7	+7.4
24. Seattle-Everett	1,102.1	67.0	+4.0
25. San Diego	1,051.9	53.8	+6.7
25–Suburb Total	49,909.2	63.4	+1.8

Source: Census Bureau; Sales and Marketing Management

Population by Age

1981 Population (Add 000)	Age Group	% Change 1970-81
20,298	Under 6	− 3.2
42,416	6-17	−12.9
30,200	18-24	+27.4
39,086	25-34	+56.8
38,799	35-49	+10.1
60,210	50 and older	+21.2

Source: Census Bureau

Jamie Speaks For Jamesway

SECAUCUS, N.J.—Jamesway is sending a woman into your living room or bedroom.

The chain's new spokeswoman, Jamie, is Jamesway's younger version of Bradlees' Mrs. B—with even the use of a first name connoting an instant friend.

That is precisely the effect the discounter hopes to achieve in its switch from product advertising to a campaign that promotes customer identification with not only the merchandise but also the stores themselves.

Murray Kaplan, Jamesway's vp of advertising, said the use of a spokeswoman represents a departure for the chain, designed to "lay the groundwork for more personal feelings between us and our customers."

Jamie has been seen in all the chain's advertising since June, but Kaplan said her use becomes extremely heavy in the third and fourth quarters, starting with back-to-school business and into the holiday season.

Jamesway has increased its television ad budget this year, up 67% to $750,000 from 1981's $450,000.

Wal-Mart Issues 2 Million Shares

BENTONVILLE, Ark.—Wal-Mart has issued an additional two million shares to the public to help repay short-term borrowings needed for its expansion, the discounter said.

Issued through Merrill Lynch White Weld Capital Markets Group, the issuing will also help offset general working capital requirements.

INTRODUCING SNAPPY
Canon Quality and Simplicity. At the Right Price!

The new Canon Snappy is destined to become the world's best selling 35! Designed expressly for the American snapshot market, Snappy will be heavily advertised on network TV and in national magazines, tied in to a wide assortment of point-of-sale material available for your stores. Snappy cameras bring 35mm quality within the reach of millions of additional customers and provide a new profit-making opportunity for you.

Canon Snappy cameras are totally automatic, with motorized loading, film winding and rewinding, automatic exposure control and built-in electronic flash! The Snappy 20 comes in five terrific colors and features a focus-free Canon f4.5 lens. The deluxe Snappy 50 comes in charcoal gray and features two-zone autofocus with a Canon f3.5 lens. Launched with the same total marketing effort that made the Canon AE-1 the world's most popular SLR, Snappy will revolutionize the 35mm market. Again.

Canon
It's my Style!
Snappy 20 Red
Snappy 20 Yellow
Snappy 20 Blue
Snappy 20 Black
Snappy 20 White
Snappy 50 Autofocus

The Canon line has become the cornerstone on which all 35mm retail sales are built. The strongest advertising, a broad range of products and a name people trust add up to business you can count on everyday.

Canon A-1

The Canon A-1 is the most advanced of our "A" Series SLR cameras, featuring six exposure control modes to suit any picture-taking situation. The Canon AE-1 PROGRAM, seen in the hands of sports celebrities like John Newcombe, Tracy Austin and Willie Randolph, is a best seller, with *programmed automation* for focus-and-shoot convenience and shutter-priority

Canon AE-1 PROGRAM

automation for creative control. The new AL-1 has QUICK-FOCUS–an electronic focusing system that makes it easy for

NEW QUICK-FOCUS

Canon AL-1

anyone to get sharp pictures every time. The world-famous Canon AE-1 is so advanced, it's simple, and is the most accepted 35mm SLR in history. Finally,

Canon AE-1

there's the AV-1, the most economical automatic Canon SLR which offers all the flexibility of Canon FD interchangeable lenses and additional accessories like Canon power winders and dedicated speedlites.

Canon AV-1

The Canon Sure Shot and Super Sure Shot models offer totally automatic operation in handsome compact cameras that deliver SLR-quality photos

Canon Super Sure Shot AF 35 ML

Canon Sure Shot AF 35 M

without the complexity of the higher-priced SLR cameras.

The Canon line is the most heavily advertised 35mm line, and the broadest, offering Canon quality at every price point. That's why Canon is the world's leader in 35mm photography!

The Official 35mm Camera of the 1984 Olympic Games

Canon®

Canon USA, Inc., One Canon Plaza, Lake Success, New York 11042 • 140 Industrial Drive, Elmhurst, Illinois 60126 • 6380 Peachtree Industrial Blvd., Norcross, Georgia 30071 • 123 Paularino Avenue East, Costa Mesa, California 92626 • Bldg. B-2, 1050 Ala Moana Blvd., Honolulu, Hawaii 96814 • Canon Canada, Inc., Ontario

© 1982 Canon U.S.A., Inc.

Discount Store Census '82/'83

Acquisitions, New Units Spur Catalogers' Growth

Chain (Hq. & Coordinator)	Showroom $ Sales (Millions) Estimated Current Fiscal Year	Showroom $ Sales (Millions) Last Completed Fiscal Year	$ Net Profit (millions) Last Fiscal Year	Showrooms Jan. 1, 1982	Showrooms July 1, 1982	Showrooms Dec. 31, 1982	Showrooms To Be Opened in 1983
Best Products (Va.)[A] (Creative)	1,365	1,242.3	11.9	100	114	117	3
Service Merchandise (Tenn.)[B] (Independent)	1,275	1,110.1	20.9	116	121	132	8
Modern Merchandising (Minn.)[C] (Creative)	730	681.8	23.8	71	72	76	4
H. J. Wilson (La.) (Independent)	490	402.9	12.7	70	72	77	5
Carlson Cos. (Iowa)[D] (Creative)	320	320.0	N.A.	77	77	71	0
Consumers Distributing (N.J.)[E] (Independent)	270	252.0	(1.3)	100	100	107	5
Gordon Jewelers (Tex.)[C] (Independent)	145	132.7	15.9	44	44	47	3
W. Bell (Md.) (Independent)	145	134.0	N.A.	15	15	18	3
L. Luria (Fla.) (Mutual)	145	108.9	4.6	21	21	26	3
Jewelcor (Pa.)[C] (Jewelcor)	131	128.3	N.A.	26	26	26	0
Century (N.Y.) (Independent)	116	121.0	N.A.	55	44	44	0
McDade & Co. (Ill.) (MAI)	97	95.0	N.A.	7	7	8	1
Sterling Jewelers (Tex.) (Paul Schultz)	75	70.0	N.A.	5	5	5	0
O. G. Wilson (Tex.) (Independent)	75	68.0	N.A.	18	16	16	2
David Weis (Pa.) (MAI)	65	54.0	N.A.	9	9	10	2
Ellman's (Ga.) (Independent)	64	62.1	1.6	7	7	7	2
K's Merch. Mart (Ill.) (Creative)	55	50.0	N.A.	6	6	6	2
Brendles (N.C.) (MAI)	52	49.0	N.A.	13	13	14	1
E. H. Tepe (Ind.) (Creative)	44	42.0	N.A.	9	9	9	1
Dahlkemper's (Pa.) (Creative)	33	30.0	N.A.	6	6	6	1
Goldbro (Ala.) (Charter)	30	27.0	N.A.	5	5	5	0
Towers (N.J.) (Creative)	30	28.0	N.A.	7	7	8	1
Masters (Fla.) (Jewelcor)	28	25.5	(1.4)	26	26	26	0
Alexander's (S.C.) (Charter)	26	21.0	N.A.	5	5	6	1
Fred Gattas (Tenn.) (MAI)	25	21.5	N.A.	5	6	6	1
Evans (Md.) (MAI)	25	22.0	N.A.	4	4	4	0
Key Distributors (Ga.) (Creative)	25	23.0	N.A.	8	8	8	1

Some Figures are DSN estimates. ( ) Loss. N.A.—Not available. [A] Pro Forma, includes Basco; doesn't include Modern Merchandising. [B] Pro Forma, includes Sam Solomon. [C] Showroom division sales, operating income only. [D] Combined results for 52 Ardan, 9 MacDonald and 16 Naum showrooms; 6 Naums to close. [E] United States sales, operating income in Canadian dollars.

The catalog showroom industry has undergone major changes as it reached maturity.

This is most evident in the consolidation of companies as the leading catalogers grow through expansion and acquisition.

The updated chart of the top catalog showroom chains shows this trend by including two recent acquisitions within the sales and earnings of the acquiring companies.

Best Products strengthened its top position by taking over troubled Basco, while Service Merchandise kept pace as No. 2 by acquiring Sam Solomon, which came out of Chapter XI just a year ago.

But, another major change is looming—Best's acquisition of Modern Merchandising, the No. 3 chain, which was due to be completed at presstime. This will make Best the industry's first $2 billion, nationwide chain.

The 27 chains (including Modern Merchandising) listed in the chart all did at least $25 million in annual sales. Together, the chains are projected to do $5,881,000,000 in the current fiscal year, up 10.5% from $5,322,100,000.

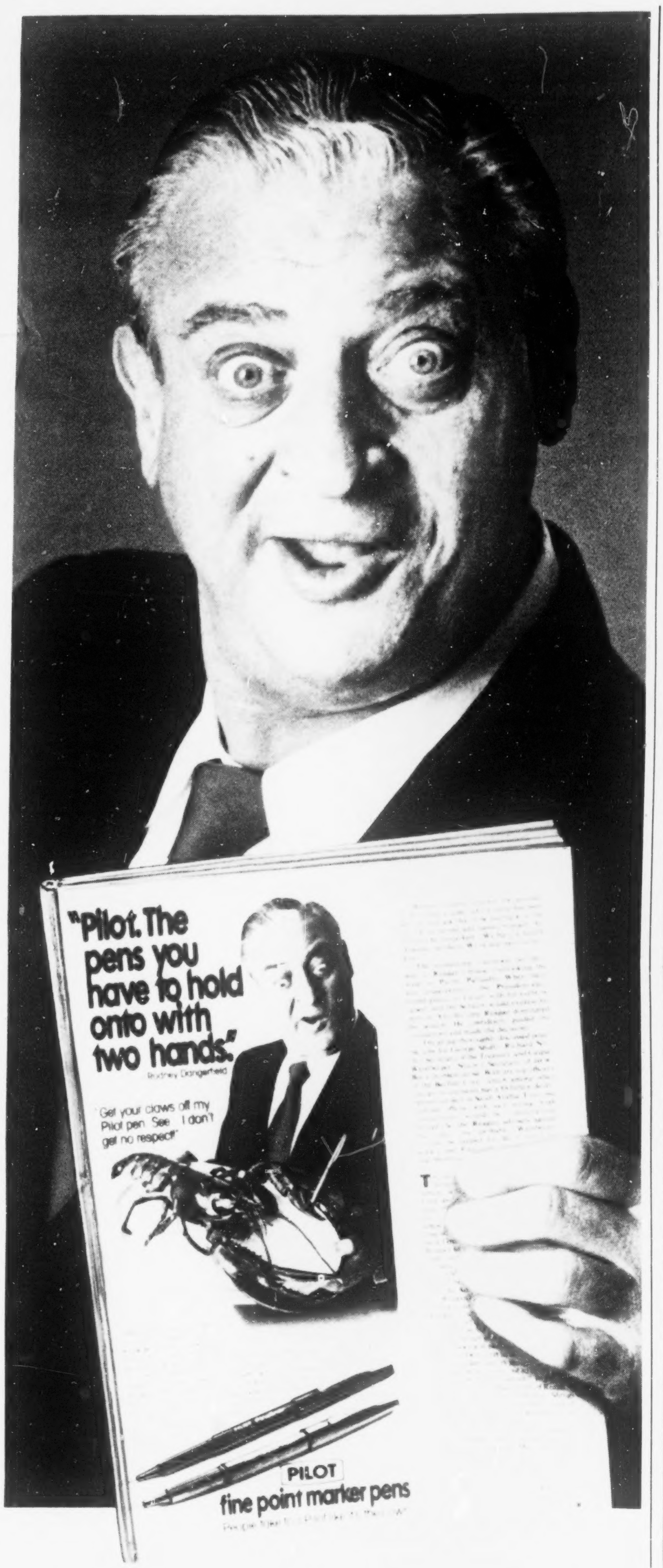
These 27 catalogers account for about 80% of the showroom industry's projected $7.3 billion sales in the current fiscal year.

The industry's maturity is seen in the sharp slowdown in the number of new stores. The 27 chains started the year with 835 showrooms and are projected to have 885 by the end of 1982, a 6% increase, with about the same number of units expected to be opened next year.

Backing up these 27 leading catalogers is a group of 15 other chains doing between $15 million and $24 million, and projected to generate $278 million in the current fiscal year. They operate just under 100 showrooms.

Together, these 42 catalogers will account for $6,159,000,000 in sales, about 85% of the industry's total volume.

Two companies on the chart-Modern Merchandising and Jewelcor—operate showrooms and also have catalog coordinating arms. The sales listed for them are just for their showroom divisions.


"Pilot. The pens you have to hold onto with two hands."
Rodney Dangerfield
Get your claws off my Pilot pen. See. I don't get no respect!
PILOT
fine point marker pens

Rodney gets no respect. And Pilot gets all the sales.

He's got lots of your customers laughing and buying Pilot pens. That's because Rodney Dangerfield is doing a remarkable job selling the amazing Pilot marker pens, the 79¢ Pilot Fineliner and the 89¢ Pilot Razor Point.

Rodney's been appearing in all the right places. He's talking to over 200 million total readers, a minimum of seven times thru the pages of Life, Time, Newsweek, Sports Illustrated, and People. As well as Cosmopolitan, Omni, Parade, TV Guide and Fortune. He's been reaching students, too. In over 50 percent of all college newspapers on campuses coast to coast.

And when 436,464,000 total listeners tune in their radios, he's there selling Pilot.

With the most advertising dollars we've ever committed—and today's hottest comedian who demands respect—it's no wonder your customers think Pilot.

PILOT
FINELINER
PILOT Fineliner
PILOT
RAZOR POINT
Extra-fine marker pen
PILOT RAZOR POINT
PILOT Fineliner
PILOT RAZOR POINT

PILOT
Pilot Corporation of America
30 Midland Avenue, Port Chester, New York 10573 (914) 937-5500

K mart Slows Down to 'Only' About 80 Bows in '82

TROY, Mich.—K mart is pausing to catch its breath.

The results will be fewer new stores and a moderate gain in sales this year as the industry giant focuses its efforts on boosting the productivity of its current crop of units by upgrading ambience and merchandise, while also exploring external areas for growth.

Statistics only tell the surface story of what's happening.

The discounter expects to open only about 80 stores this year, a crawl for K mart compared to last year when it added 170 units.

This scaled-down expansion will take place as the discounter, for the first time, actually closes some unprofitable K marts, with three such stores already shuttered.

The cash register effect of this will be sales of $18 billion, up about 9% from the $16.5 billion in the last fiscal year, which was a gain of 16.4% in volume.

The rest of the story is the changes taking place within K mart stores themselves.

In the merchandising area, the most important activity is the stepped-up focus on national brands for both hard goods and soft lines.

This has already resulted in the 2,050-plus-store chain adding such products and brands as Atari computer games and Texas Instruments TI/30 computers, peripheral equipment, games and software programs to its mix, and phasing in Jonathan Logan junior/women's apparel for this year's back-to-school merchandising.

Innovative Program

(The Jonathan Logan program is unique in that K mart will be the only retailer handling the line, which had been a national brand. The name was licensed by its owner to an apparel manufacturer which now produces goods under the brand for K mart only.)

K mart executives, in explaining the national brand thrust, noted that consumer research indicated the discounter could sell "an expanded assortment of hard goods that we previously considered beyond the price and quality range of traditional K mart assortments."

The upgraded soft goods merchandising "will enhance efforts to make K mart even more widely known as the place to shop for quality and fashion at competitive prices."

A key adjunct to the move to more branded apparel was the centralization of all of the discounter's clothing merchandising under the wholly owned K mart Apparel Corp. This effort also involves refixturing the apparel departments in all K marts by the end of the year to match the prototype sections fashioned in new stores during the past 18 months. Last year 628 soft goods sections were refurbished with the new look.

The remodeling of the apparel departments has resulted in K mart putting a temporary halt on work to remake hard goods sections. This effort last year saw some 400 stores get new health and beauty aids sections.

The other major store-level change is the use of new sophisticated computer technology to keep track of sales and speed up communications between headquarters, distribution centers and stores, especially to provide much faster replenishment of stock.

The discounter will have all stores hooked into the KIN (K mart Information Network) computerized communication system by this fall, more than a year earlier than projected.

KIN is used to transmit sales and merchandise movement information collected by in-store minicomputer as well as act as an electronic mail system for messages.

The merchandise tracking program is being upgraded through the use of hand-held wand scanners that read UPC-marked tags on hard line shelves and pegboard gondolas.

The information collected by the scanner is transmitted to regional warehouses or K mart's central computer, and is used to reorder merchandise, pulling goods either from a distribution center or directly from a vendor.

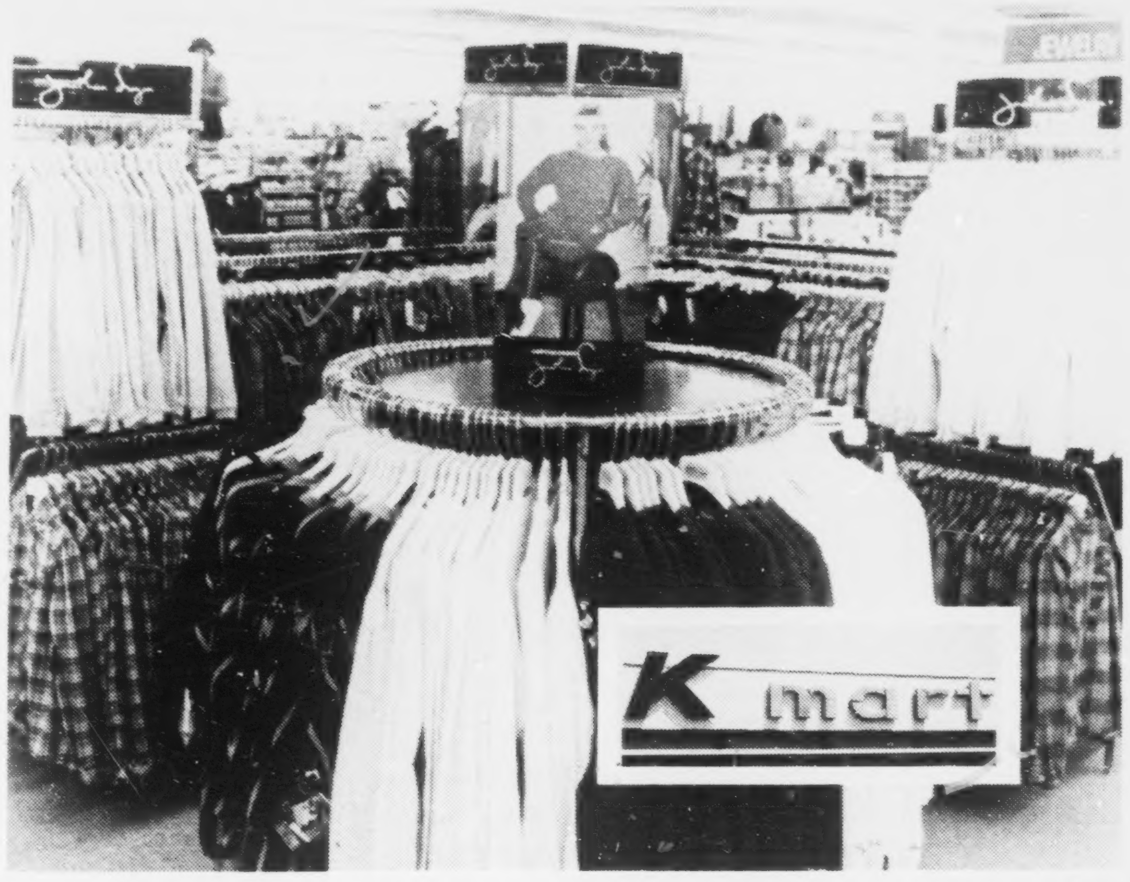
The discounter has targeted $2 billion plus for its capital expenditure program, including almost $250 million for high technology computer equipment.

Among the new technology will be K mart's first test next year of a point-of-sale system that captured information from UPC-tagged merchandise. The POS test will enable the discounter to obtain sales and item movement information at the checkout, in addition to developing reorder information through the scanning of the UPC-marked shelf tags.

The remainder of the capital expansion program will go to refurbishing and updating older stores, including the extensive remodeling now under way of the apparel departments.

K mart's internal focus is

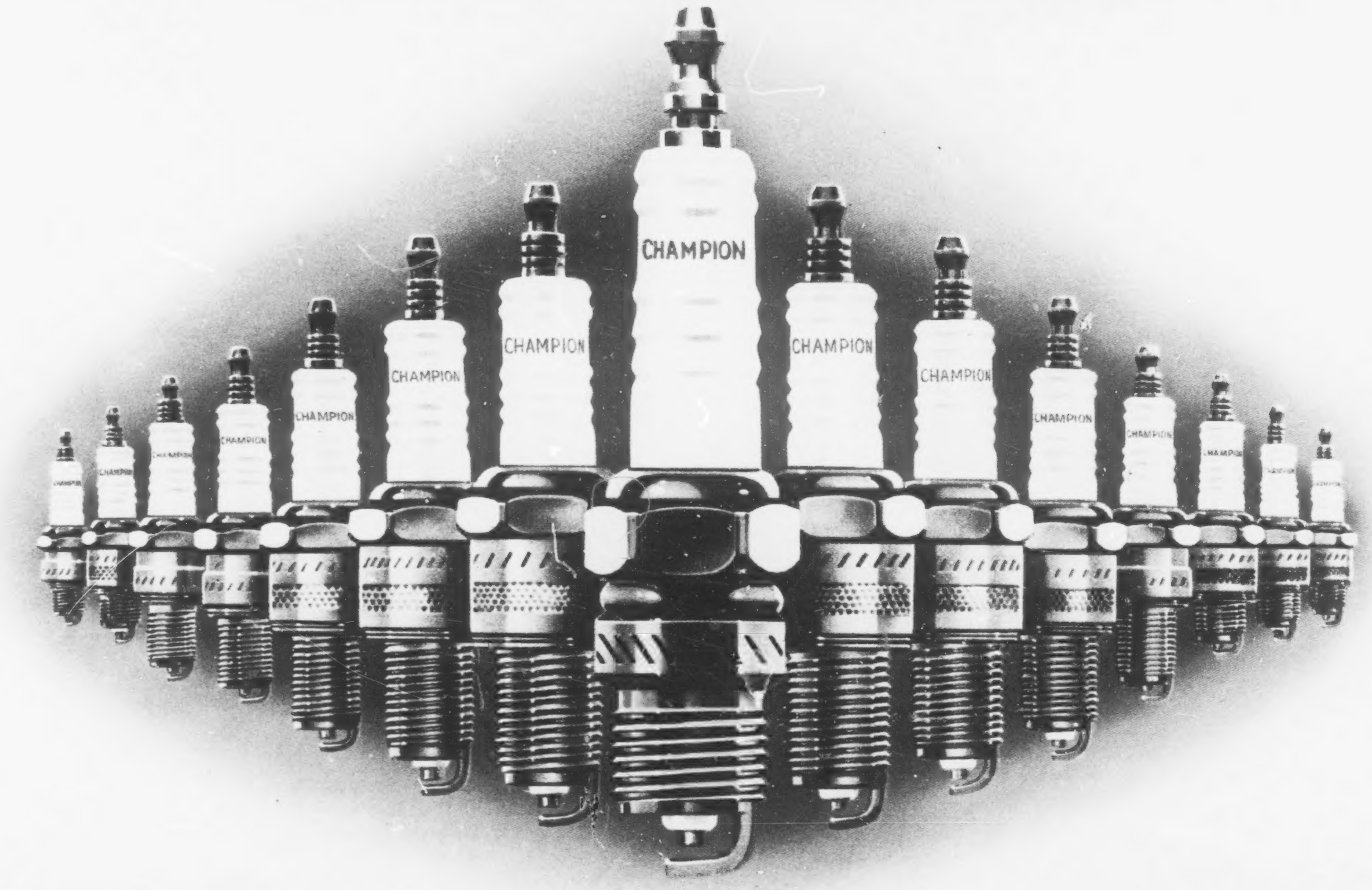
(Continued on page 123)



K mart's move to expand the use of brand name goods includes featuring Jonathan Logan merchandise in a special display in its own area. Lodi, N.J., store was one of first to get it. *(DSN photo)*

NEW 'COPPER PLUS'

Champion introduces a new design program with 30% fewer plug types.



Now you can handle 93% of the import/domestic 4-cylinder market with only 15 plug types.

'COPPER PLUS'...a brand-new family of spark plugs that can spark your profits like never before. This brand-new Champion lineup is especially engineered with emphasis on the fast-growing import and domestic 4-cylinder market.

'COPPER PLUS'...engineered with consolidation in mind. This new line enables you to cover 93% of the import/domestic 4-cylinder market with only 15 plug types...compared to the 23 formerly required. (You'd need more than 30 AC or Autolite types...as well as over 40 NGK types...to deliver the same kind of coverage.) That means dramatic reductions in inventory costs. Product moves faster, more profitably.

'COPPER PLUS'...does more than offer you a welcome extension to traditional Champion product lines. It's been engineered to provide maximum flexibility of plug types for optimum smaller engine market coverage. You can satisfy 92% of the *import* category alone – with just 11 plug types.

'COPPER PLUS'...these advanced plugs are on your shelves right now. You'll discover you'll need no other spark plugs than 'Copper Plus'...Champion-engineered to take care of older engine requirements and also put you confidently in the fast-growth 4-cylinder market.

CHAMPION®

NOTHING SPARKS
LIKE A CHAMPION

Champion Spark Plug Company · Toledo, OH 43661

Wal-Mart Sees $3.5 Billion Sales in '82

BENTONVILLE, Ark.—Wal-Mart expects to pass the $3 billion sales mark this year.

With record sales posted in its last fiscal year—up 49% after opening 62 new stores and absorbing the 106-unit Kuhn's Big K chain (92 were opened as Wal-Marts)—the Arkansas giant is projecting a 40% sales gain to $3.5 billion for its current fiscal year.

Net income for last year totaled $82.8 million giving the chain a 3.4% return on sales for the third consecutive year. In fiscal 1978 return on sales was 3.1%; in fiscal 1979, was 3.3%. Comparable-store sales rose 15% during the latest year.

In 1983, the chain plans to open 80 stores, 33 of them destined for Texas, which will push that state's count to more than 100 Wal-Mart stores by December of next year.

With its trading area expanded to 13 states thanks to the Kuhn's acquisition, the chain will be adding at least one more state to its roster in 1983—Nebraska—and will be expanding into the Florida Panhandle.

Integral to the chain's ability to continue turning in record fiscal performances is its ability to push new and existing stores to operate at even greater sales capacity, and to reduce overall operating costs wherever possible.

Last year, for example, the chain took over the operation of 162 jewelry departments that were previously run by a lessee; opened its first photofinishing plant, in Texas, which will service 160 stores, and opened a second overseas buying office.

In addition, the chain, having reshuffled its buying staff, is planning for increased sales in a new merchandise sphere, the Home Area. This will see the chain emphasizing textile coordinates in kitchen and bath, and bringing in better lines of casual furniture and accessories, including gourmet kitchenware, for the home.

Building on a fashion emphasis in store presentation, apparel will be expanded and upgraded lines added, especially in activewear coordinates for men, women and children.

To fuel its growth into new markets, the company last year opened a distribution center, a 510,000-sq.-ft. unit, in Palestine, Tex. It will open another center in Cullman, Ala., in early 1983.

In addition, the company has announced its intention to rely more heavily on regional vendors—those located closer to its distribution centers—in coming years to further reduce buying and freight costs.

Its "power alley" presentation, combined with the VPI (Volume Producing Item) program, is part of the strategy keeping Wal-Mart at the front of the line in chainwide and same-store growth.
(DSN photo)

Murphy's Mart Format Being Standardized

McKEESPORT, Pa.—G. C. Murphy Co. executives look to 1982 as a turnaround year.

They're placing their bets on, among other things, a refurbishing campaign begun this spring to standardize Murphy's Mart formats in a new upscaled presentation.

By year's end, 25 or more units will have the new look which uses upscaled face-out fixtures, new departmental signing and fingerwalls to create department shops. The upgrading puts emphasis on ready-to-wear, jewelry and cosmetics, where higher-ticketed merchandise is getting full play.

Although the chain has plans for new Marts—three will open in October to give it six new units for the year, and at least two new units will debut in 1983—the bulk of the company's commitment in capital expenditures in 1982 and 1983 is earmarked for upgrading facilities. The chain committed $11 million for capital expenditures in 1982.

Definite Possibility

In all likelihood, chain officials say, there may be some closings of Marts next year, in markets of single units located out of reach of an effective advertising program.

The move to upgrade stores comes on the heels of a poor performance in 1981.

"The year 1981 was indeed a very disappointing year. We make no effort to minimize that fact," said president and ceo C. H. Lytle.

The company ended fiscal year 1981 with a 50.7% drop in net income from $17,489,000 to $8,628,000. Marts took a 60.6% share of company sales, compared to 57.6% a year earlier, ending the year with sales of $495,735,000 or 7% higher than in 1981. The Marts' performance basically countered the company's variety store division's 5.5% drop in volume.

For the first 22 weeks of 1982, the 108-unit Marts (up from 103 units at the end of 1981) showed a 13.9% advance in sales to $215,038,000 from $188,732,000 a year earlier.

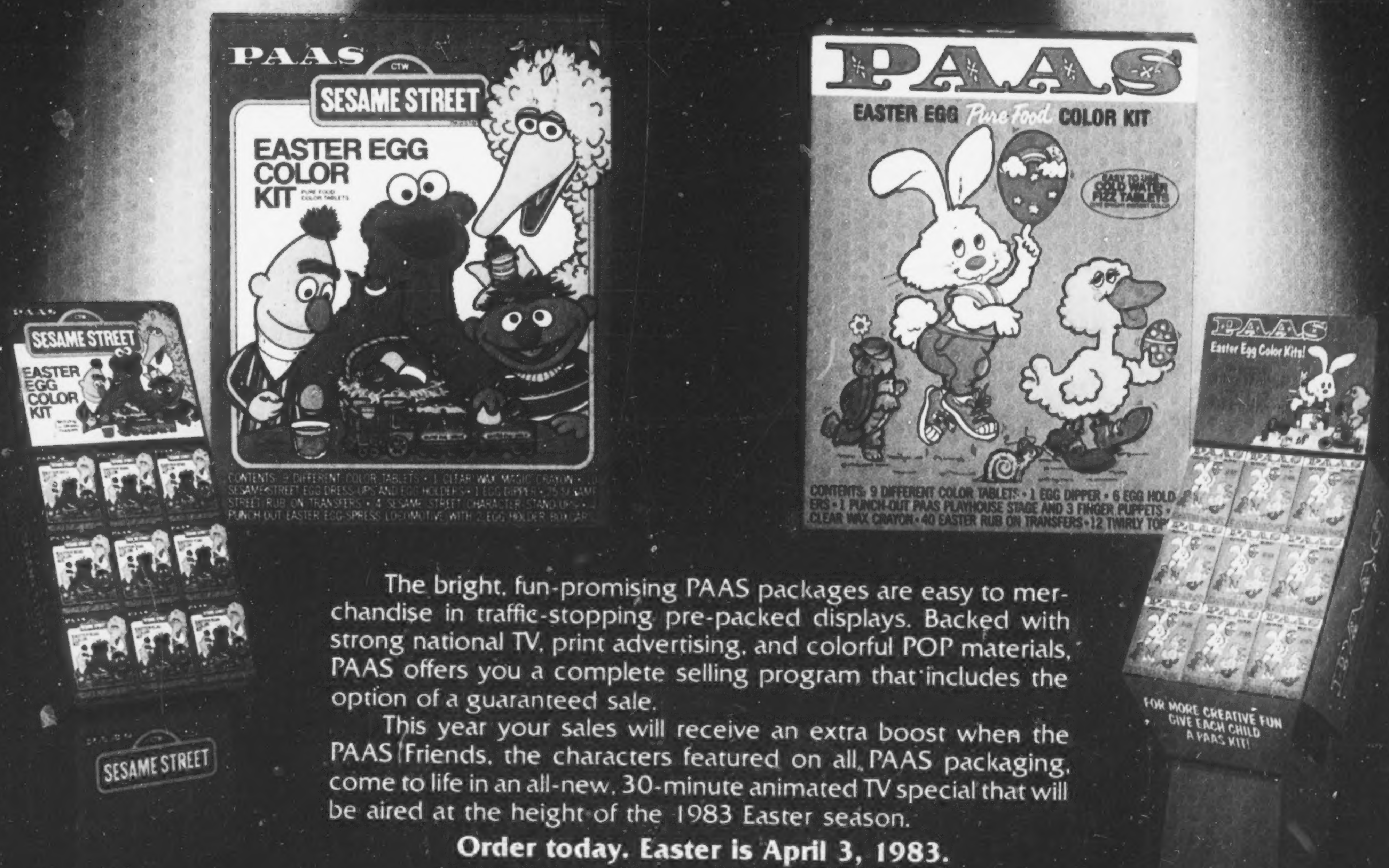
Refurbishing efforts in 20 units—predominantly in the Pittsburgh and Baltimore mar-

(Continued on page 84)

Color your profits big & bright!

PAAS

For over 100 years PAAS has meant beautifully colored eggs and hours of Easter fun to millions of children. This tradition has made PAAS the number one selling line of Easter egg color kits on the market.


PAAS
SESAME STREET
EASTER EGG COLOR KIT
PAAS
EASTER EGG Pure Food COLOR KIT
FOR MORE CREATIVE FUN GIVE EACH CHILD A PAAS KIT!
SESAME STREET

The bright, fun-promising PAAS packages are easy to merchandise in traffic-stopping pre-packed displays. Backed with strong national TV, print advertising, and colorful POP materials, PAAS offers you a complete selling program that includes the option of a guaranteed sale.

This year your sales will receive an extra boost when the PAAS Friends, the characters featured on all PAAS packaging, come to life in an all-new, 30-minute animated TV special that will be aired at the height of the 1983 Easter season.

Order today. Easter is April 3, 1983.

The PAAS Sesame Street Kit contains quality PAAS egg colors, punch-out toys, rub-on transfers, egg decorating accessories, and egg dress-ups — all featuring the Sesame Street Friends known by millions of children.

The PAAS Friends Kits contain quality PAAS egg colors, egg decorating accessories, and easy-to-assemble Easter toys.

PAAS

For complete details or licensing information, contact your Plough Sales Representative, or call direct Mr. Ray Castle, 901/320-2468.

Sesame Street and the Sesame Street sign are trademarks and service marks of the Children's Television Workshop.
© 1982 Plough, Inc. MUPPET Characters © 1981 Muppets, Inc. All rights reserved.

Woolco, in Turnaround Effort, Hypos Organizational Changes

NEW YORK—It's been a year of upheaval for the Woolco chain—and an end to change isn't yet in sight.

As the New York-based chain approaches the $3 billion sales mark, its future and its market identity still aren't clear. It is becoming clearer, however, that Woolco's parent, the F. W. Woolworth Co., is taking a hard look at its discount division and it's probably now or never for a chain that in more than 20 years of operation has never turned a profit.

Sales for the U.S. Woolco division are expected to hit $2.26 billion this year, according to chain estimates, a 20% increase over last year's volume. Including sales from Canadian Woolcos, chainwide volume totaled $3.5 billion.

For the fiscal year ended Jan. 31, 1982, U.S. Woolco posted a $19 million loss; the Canadian Woolco operation earned approximately $95 million in United States currency.

The F. W. Woolworth Company was in even worse shape, $25 million in the red at the end of the first half (July 31) on a scant 0.7% increase in sales.

One of the first signs that corporate was serious about pulling the chain's bottom line into the black once and for all came early this year when management tapped Bruce Allbright, president of Target Stores, to fill the newly created post of chairman, chief executive officer for the Woolworth/Woolco division.

Major Changes

This was followed by several months of announced plans to separate Woolworth and Woolco into two distinct operating divisions; the unveiling of a new prototype store in East Brunswick, N.J., that put heavy emphasis on fashion apparel; and the shuttering of the chain's stores in almost a half-dozen markets—including Charlotte, N.C., Memphis, Tenn., Little Rock, Ark., and Atlanta—where market penetration was insufficient to meet sales projections.

Shortly after his arrival in New York, Allbright accelerated the separation of the two divisions—both at headquarters and in the field—creating a separate regional structure for each of the chains and a new hierarchy at headquarters.

A new position for the head of each division was created: chief operating officer. Posts for vice presidents of operations, hard lines, soft lines, and advertising and sales promotion for each division were also created. Plans were announced that separate buying staffs were also to be created.

Next, Allbright hired Harold Smith, vp and general merchandise manager for Magic Mart, Little Rock, Ark., to be president and chief operating officer for the Woolco stores.

Smith replaced Jack McNutt, whom Allbright had designated acting coo and senior vp, store operations, in March as part of his initial reorganization moves. McNutt, a 39-year company veteran, had been corporate vp, personnel, when Allbright tapped him to run the stores until a president could be hired.

McNutt continues as senior vp, store operations, reporting to Smith.

As the company's latest annual report emphasized, these changes are "only the first of a number of Woolco organizational changes which are accelerating in 1982."

For now, the chain has put a hold on all future expansion, limiting itself to opening new stores where legal commitments already exist. The emphasis this year will be on taking the prototype chainwide with 25 stores to be remade in 1982; installing electronic point-of-sale equipment in those 180 Woolco stores that have yet to be outfitted, and centralizing control in merchandising, advertising and inventory investment.

In merchandising, for example, the company took control of its last leased operation. In the last two years, the company has severed its ties with its lessees in shoes, automotive and men's wear.

In other major changes for Woolco, the chain has ceased to share circular space with its sister variety store division. In the new presentation, Woolco adopted a broadsheet format that features 35% to 40% fewer items than were run a year ago.

Still, the jury remains out on whether these changes—and those yet to come—will pump up the bottom line. According to the annual report, "domestic results were the most important reason for the company's decline in earnings and return on shareholders' equity."

With store expansion in a holding pattern, Woolco is, among other things, concentrating on spreading the new prototype unveiled in East Brunswick, N.J., and emphasizing apparel. *(DSN photo)*

SYLVANIA GTE 30-40 Watt Starters
SYLVANIA GTE Plug Fuses 25 Amp
SYLVANIA Wiring Devices Receptacle GTE
SYLVANIA GTE

T.G. & Y. Focuses on New AIM for the best Stores

AIM for the best

With the new, upscale AIM for the best Stores planned as a 200-unit chain in five years, and just 75 to be newly built, the offspring is setting the tone for T.G. & Y.'s future growth. *(DSN photo)*

OKLAHOMA CITY—An interesting year lies ahead for T.G. & Y. as the chain charts a course for its new offspring AIM for the best Stores and refines expansion of its core business.

The chain expects to end 1982 with sales of $1,803,400,000 from 574 Family Centers, a 13% increase in volume from last year's $1,695,600,000 contributed by 553 Family Centers.

From the combined operations of Family Centers and variety stores—the latter to number 342 at year's end compared to 381 a year ago—sales will amount to $2.1 billion, a 12% increase from a year ago when volume reached $1,803,400,000.

Expecting to open only eight Family Centers in 1983, while closing 39 variety stores, T.G. & Y. is clearly trimming its core store base to focus on its new upscaled AIM for the best division.

The division debuted this spring with four units and will number approximately 15 by the end of this year.

AIM for the best's first stores, located in Macon and Warner-Robins, Ga., and Stillwater, Okla., will be followed by additional units in Arizona, Texas, Oklahoma, Mississippi, Alabama and California.

In 1983, 12 T.G. & Y. stores are expected to be converted to the AIM for the best format, compared to four conversions this year, and four new units will come on line.

According to parent company Household Merchandising, Chicago, long-range plans should position AIM for the best as a 200-unit division within five years. A company spokesman said only 75 of the 200 units will be newly built.

The push for the new division is to better position T.G. & Y. for sales and profits in the future.

Designed for the trade-up customer with a heavy preference for brand name assortment, especially in soft lines, AIM gives 48% of store selling space to apparel. Up to 40% of the mix is branded, compared to 10% in traditional stores, AIM also incorporates the decor of upstairs department stores.

T.G. & Y. officials expect the payoff of the new direction in AIM to earn them $150 per square foot, compared to $90 currently generated by Family Centers.

In dealing with the challenge of a new division, the company has done some management restructuring his year.

H. O. Price was moved into a newly created position of executive vice president and coo.

Price, former group vp and senior vp for marketing, was chosen to direct store operations and marketing, as well as coordinate development of the chain's new $100 million merchandise processing system. He reports to Dan Kelly, president and ceo.

The restructuring also upped H. L. Pettitt, who was group vice president of buying, to senior vp of buying and merchandising, and R. G. Smith, former vp of advertising, to group vice president of marketing and advertising. Both report to Price.

New Personnel

In line with the creation of AIM as a separate division, J. M. Cox, former vp of store operations-south and central divisions, was named to head the division. Raymond Balcer was transferred from chain management in Florida and Alabama to be vice president of store operations; J. C. Krause, L. R. Rhoses and Richard Scott became division vice presidents and district managers, and James Davis was named personnel manager. No less important to T.G. & Y.'s future performance is its program to install electronic point-of-sale equipment, to further develop the merchandising processing system and streamline its distribution system.

By July, T.G. & Y. had installed POS terminals in 100 stores and planned to end 1982 with 140 units on line. Another 125 to 150 stores will be adding terminals in each of 1983 and 1984.

The POS instaiiations began in 1980, and by 1981, 45 units had been switched to the system.

The POS system is T.G. & Y.'s first step in development and implementation of a new merchandising process system that will track inventory information by sku from shipping through arrival to stores, and allow automatic replenishment.

Thirty-six stores currently have perpetual inventory systems in conjunction with POS, which allows for automatic replenishment and a boosted in-stock position.

Price/Look Up, another POS feature, also planned for T.G. & Y. stores, is currently used in only the new AIM stores.

READ
CLASSIFIED ADS

Introducing the "everythingyoualwayswanted" line of electrical products.

Meet the line of over 1000 electrical items designed to keep everybody happy.

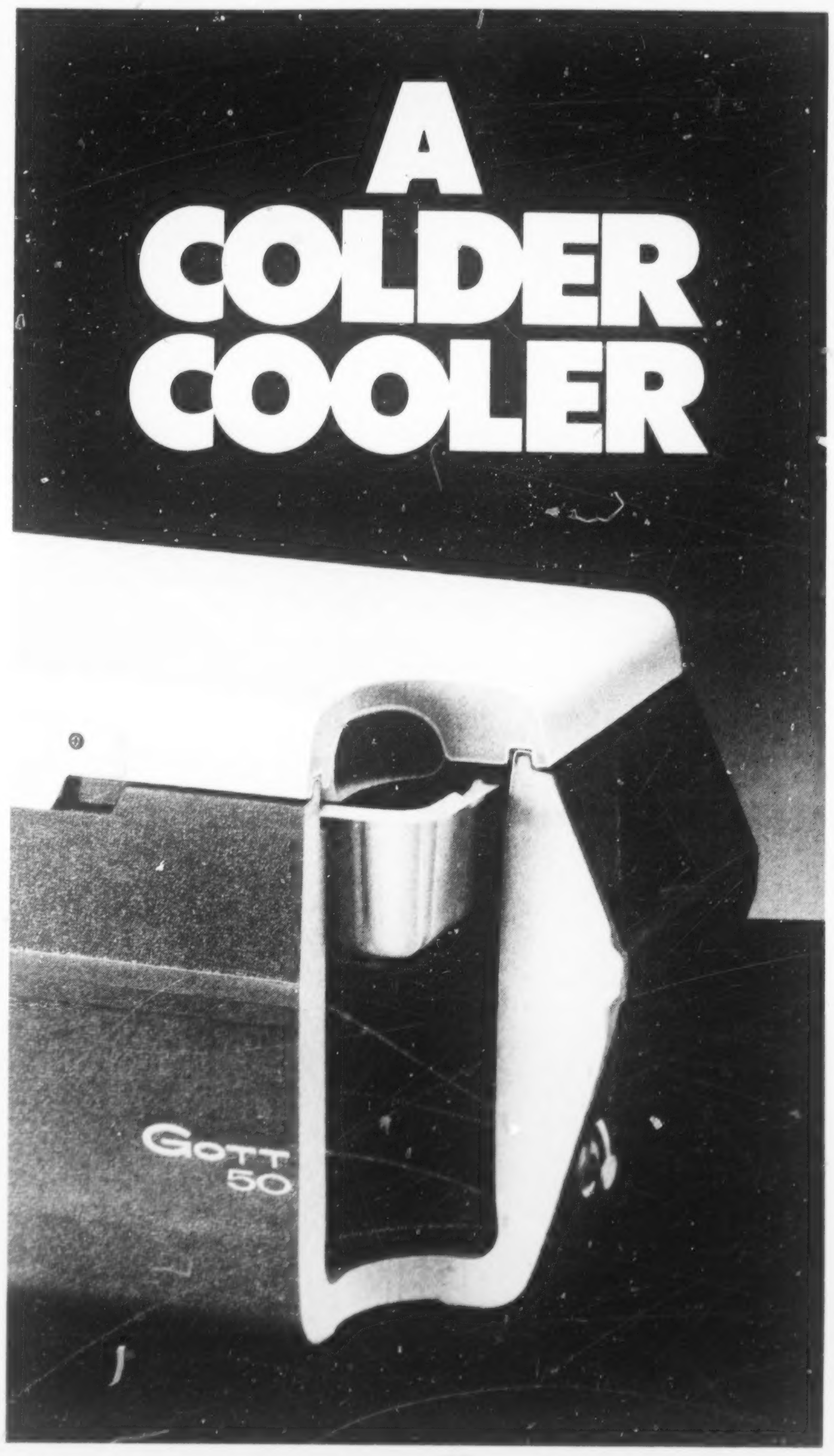
For your customers, there are switch and outlet boxes, wiring devices, cords, telephone accessories, load centers, and circuit breakers. And easy-to-understand instructions are on the back of every high-impact package.

Of course, they also get the well-known Sylvania name and reputation for high quality.

For you, it's a full product line that can be tailored to fit your local market. And there are merchandising tools and programs that will bring in the do-it-yourself customers and keep them coming back.

When you handle the "everything" line that gives you all of that, there's not much left to ask.

SYLVANIA GTE



GOTT®

Gott has discovered how to make an ice chest hold its cool longer.

We put extra insulation where it's needed most…in the bottom!

Nobody else does.

For more information write or call
Gott Corporation, P.O. Box 652,
Winfield, Ks. 67156 316-221-2230.
2-8202A

GOTT'S
GOT IT.

Discount Store Census '82/'83

Caldor entered the New Jersey market this year with the takeover of four Korvettes sites. The units were remodeled, boasting a new approach to housewares, shown here at Paramus, N.J. *(DSN photo)*

Caldor: $1B in 1983?

NORWALK, Conn.—Caldor is on its way to joining the $1 billion club next year.

With sales for the chain at $779 million in 1981, an estimated 15% sales increase will bring the 1982 total to approximately $895 million.

From there, it's not much of a giant leap to the $1 billion sales total for 1983.

Caldor's contribution to the sales volume of Associated Dry Goods, which acquired the Northeast discounter in May 1981, has been significant. With Caldor's sales results, from the end of May, included in ADG's results for the year ended Jan. 30, 1982, Caldor added $592 million in sales. This represented 22% of ADG's $2.751 billion for the year.

If Caldor's $779 million in sales for the entire year were incorporated with ADG's sale performance, the discounters contribution would have been even higher—28% of the total.

Sales Up

For the first quarter of 1982, Caldor clocked a 23% sales increase with sales moving up to $168 million from $137 million for the same period last year. Once again, Caldor's sales represented a healthy chunk of its parent company's sales, 26.2% of ADG's $641.2 million.

From another vantage, in the first quarter ADG sales increased by 41.2% including Caldor's sales. If Caldor's sales were excluded, its parent company would have gained only 4.2% in sales.

Although Caldor has been bringing in strong sales gains for the past five years, with more of the same projected this year and next, there is one negative aspect.

According to figures reported by Goldman Sachs, Caldor registered double-digit comparable-store sales increases throughout the late 1970's. Since 1980, however, its same store performance has slipped with the increases below 10% in each quarter during 1980, 1981 and, so far, continuing in 1982.

With sales increases largely fueled by new stores, Caldor's expansion plans should keep the sales total climbing. In 1981, 11 stores were opened—a new record for a single year—including four units marking Caldor's entry into the New Jersey market with the takeover of four Korvettes sites.

This year five new stores will be brought on board.

A 112,000-sq.-ft. New Brunswick, N.J., store opened in May, was the fifth, and last, of Caldor's Korvettes takeovers.

Another four stores are planned for fall 1982 openings—three more in New Jersey and one in Massachusetts—bringing Caldor up to a 79-unit operation by the end of the year.

In 1983 the store opening pace is scheduled to pick up again. Caldor's management hasn't announced the locations of the 1983 stores, but eight-10 new ones are planned.

STYLE
AND
QUALITY
GOTT THERMAL JUG
GOTT TOTE 6
GOTT LUNCH TOTE
GOTT 30 QUART COOLER
GOTT TOTE 12

GOTT®

Compare Gott coolers with others. You'll see a noticeable difference. Gott Style and Quality! The products, packaging, even displays.

It's a traffic stopping style that adds up to more sales.

For more information write or call
Gott Corporation, P.O. Box 652,
Winfield, Ks. 67156 316-221-2230.
2-8202C

GOTT'S
GOT IT.

Back on Expansion Trail, Venture to Unveil Three

ST. LOUIS—With the opening of three Chicago-area stores this fall, Venture will expand its store base for the first time in three years.

The chain—which projects sales of $680 million for the fiscal year ending Jan. 31, 1983—this year is investing $30 million in the three 100,000-sq.-ft. stores, along with remodeling five existing stores and partially refurbishing nine others.

One store to be unveiled this fall is an ex-Woolco location in Homeland, Ill. The purchase of that unit was announced in March when Venture shuttered an unprofitable inner-city Chicago store located at 115 Street and Halsted. The two other new units will be in Niles and Forrest, Ill.

Although Venture hasn't announced 1983 expansion plans, president Julian Seeherman said continued expansion is part of the plan for the 44-unit chain.

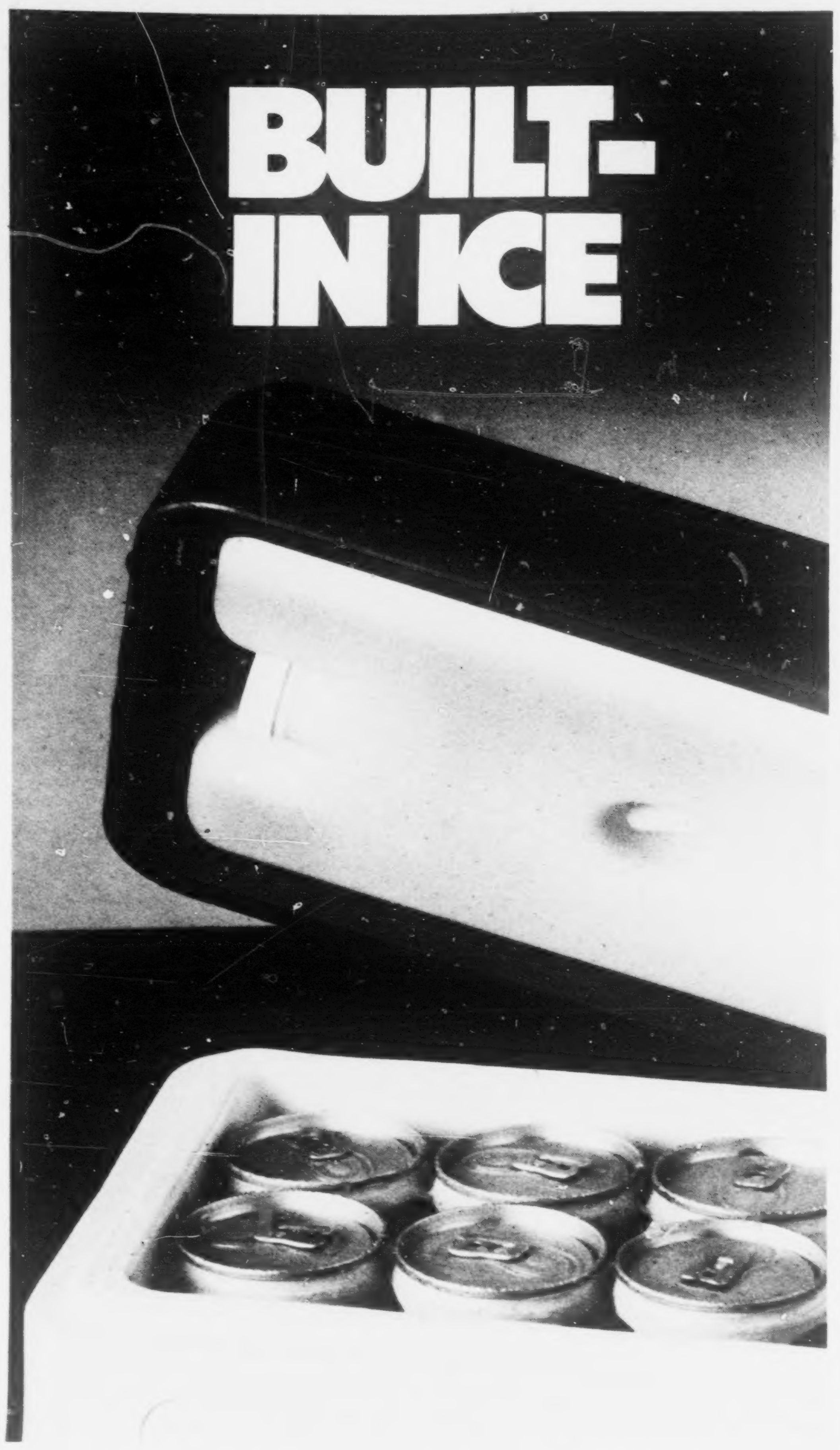
A spokesman for the May Department Stores, parent of Venture, commented that expansion during 1983 would be confined to markets where the chain is already strong. Those markets include Chicago, where 24 stores are located, St. Louis, where there are 12, and Kansas City, six.

With the five other stores in small midwestern cities and the three new ones, Venture's store base will be 47 by the end of this year.

Sales for this year through the end of July were running 8.5% ahead of last year, at $288.3 million compared to $265.7 million for the same period in 1981. Same-store sales scored a 9.5% gain over last year.

In 1981, Venture reported a sales increase of 9% with volume of $611.5 million, based on operation of 45 stores. Operating earnings improved over 40% for last year, to $16.8 million. The ratio of operating earnings to sales climbed six percentage points to 2.7%.

Continued success for the chain in these difficult economic times will be insured by the chain's constant emphasis on being a better merchandiser, according to Seeherman. He expects the '82 sales volume to outstrip the '81 total by 11%.



GOTT

Of all the coolers on the market, only Gott has Refreeze bottles that lock up into the lid and out of the way. So there's less need for ice and more room for food.

For more information write or call
Gott Corporation, P.O. Box 652,
Winfield, Ks. 67156 316-221-2230.
2-8202B

GOTT'S GOT IT.

Discount Store Census '82/'83

Target to Complete Conversion Of 33 FedMarts in April-May '83

MINNEAPOLIS—The other shoe finally dropped.

After months of industry speculation over whether Target would move into southern California via stores vacated by FedMart, it finally became official.

Target announced it would take a total of 33 FedMart sites in three Sunbelt states. It will join the fray in southern California's highly competitive market with the takeover of 28 FedMarts—20 in the Los Angeles area, eight in the San Diego area.

In addition the chain picked up four FedMart units in Arizona—three in Phoenix, one in Tucson.

The takeover of a FedMart in El Paso adds another new Texas market to Target's growing lineup in that state. El Paso brought the store count in Texas to 30, including stores already in operation and announced future openings.

The ink was barely dry on the acquisition when Target made a few more announcements relating to its California entry.

New Moves

In preparation for the expansion, Target restructured its regional operations and recruited Michael Rouleau, president of Lechmere, another division of Dayton Hudson, to head the regional operations as executive vice president of store operations.

The restructuring gave the West Coast its own regional office. Region 2, formerly headquartered in St. Louis, was shifted to Los Angeles. The areas formerly handled from St. Louis were distributed among the chain's other three regions.

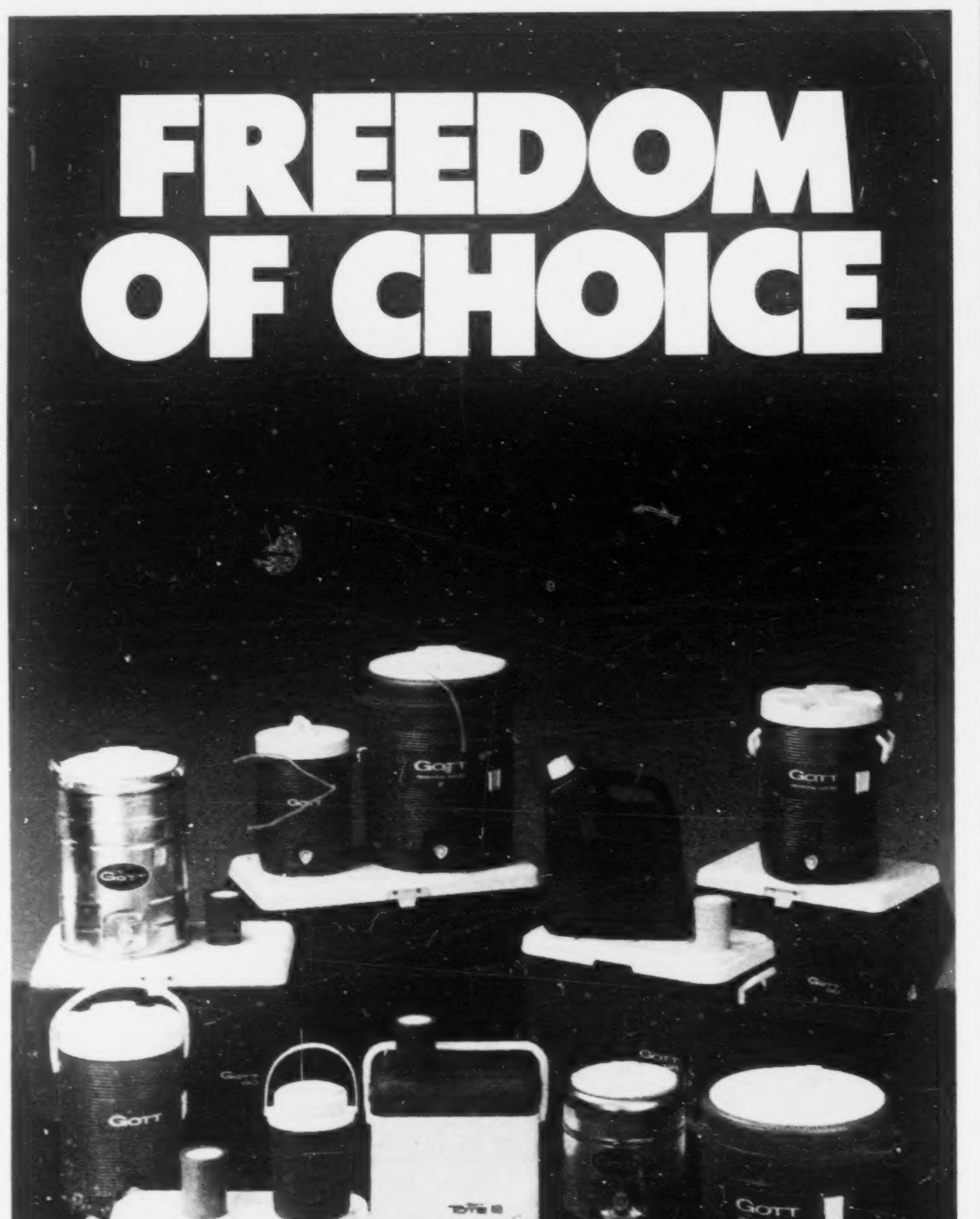
Target also said a new distribution center, its fourth, would be located in the Los Angeles area.

Earlier this year Dayton Hudson chairman William Andres said, "We anticipate de-

(Continued on page 56)

TARGET
Sweater

Having learned a lesson about conversions with the takeover of Ayr-Way, Target says it will take a different approach in converting 33 FedMarts to its format, seen here in Waco, Tex. *(DSN photo)*



GOTT

Gott knows that the more choices you offer customers, the more sales you can make. So we make coolers, chests and other containers to fit every need—and every shelf.

For more information write or call
Gott Corporation, P.O. Box 652,
Winfield, Ks. 67156 316-221-2230.
2-8202D

GOTT'S GOT IT.

Expansion, Remodeling Forge Ahead At Ames; Sales/Sq. Ft. Jump to $78

ROCKY HILL, Conn.—If Ames continues its three-year record of sales growth at the compound rate of 18.7%, sales will top $450 million in fiscal 1983, close to doubling volume since 1979.

Fiscal 1982 performance was a healthy one in which sales of the 113-store chain went ahead 13.4% to $383.1 million, and net profits increased by 14.7% to $9.9 million.

Figures for the year ending January 30, 1982, were, however, followed by a disappointing first quarter ending May 1. Sales dropped slightly from $82.1 million to $81.9 million for the same period last year. Net earnings went up 7.3%.

Herbert Gilman, chairman of the board, attributed the sales slump to the company's four wholesale distributors and said retail store sales went ahead. Gilman added he was "cautiously optimistic" about Ames' prospects this year.

Another loss for Ames was Jack Edwards, senior vice president, general merchandise manager, who resigned to accept a post at Henderson, N.C.-based Roses as executive vice president.

This year Ames stepped up the new store opening pace somewhat with eight new units on the drawing board. Three of them—Southwick, Mass., Walpole, N.H., and Ellsworth, Me.—opened in the first half of the year. Last year the chain opened seven new stores.

Ames, with stores in small-to-medium sized markets in 10 states from Maine to Florida, has a three-pronged game plan for growth this year. In addition to new stores, the store remodeling program—begun in 1980 as a three-unit test—is forging ahead.

Major renovations of eight stores were completed by the end of June; at least one more was scheduled before the end of the year. Ames remodeled six stores in 1981.

Further Considerations

Another part of the strategy is to increase productivity in existing stores and bring up sales per square foot which have been below the industry average. With the number of remodeled stores increasing, Ames' sales per square foot went from $70 to $78 in fiscal 1982.

The remodeling entails installation of a new prototype plus new fixturing designed with the objectives of displaying more merchandise and giving the stores more of an upscale look.

Store renovation is being financed by the April 1982 sale of 800,000 shares of common stock. With approximately $16 million realized from the sale, the chain avoided short-term debt.

Gilman told shareholders, "Our balance sheet has never been stronger." He also pointed out another positive factor—Ames' record of tight control of operating expenses.

Despite inflation in operating costs, the chain's operating, administrative and general expenses have been declining as a percentage of sales: from 24.1% in fiscal 1980 to 23.1% in fiscal 1981 to 22.9% in fiscal 1982.

By the end of last year Ames had installed point-of-sale "intelligent" terminals in every store. By the end of this year the chain expects to replace existing cash registers with automated equipment in 55 stores.

Zayre Opening 12, Modernizing 24 in 1982

FRAMINGHAM, Mass.—Zayre will continue to move ahead on three fronts this year: opening a dozen new discount stores, modernizing two dozen others and converting additional older units from mechanical to electronic registers.

Zayre's discount stores (including leased departments) will hit a projected $1.655 billion during the current fiscal year, up 13.7% from $1.465 billion. Zayre's own sales are expected to amount to $1.620 billion.

The discount stores continue to be the volume dynamos that power the diversified retailer, whose own corporate sales in the last fiscal year hit $1,797,139,000, up 12.7% from $1,594,235,000. The 26% net income gain outpaced the sales increase, going to $22,147,000 from $17,574,000.

However, the recession sharply curtailed the discount stores' performances as compared to the results turned in by Zayre's two apparel specialty store operations, Hit or Miss and T. J. Maxx.

The discount stores' share of total sales in the last fiscal year fell to 79.8% or $1,433,348,000, from 86.6% or $1,347,792,000. The specialty stores' share, meanwhile, went to 20.2% or $363,791,000 from 13.2% or $246,443,000.

Situation Analyzed

A similar situation occurred in the operating income area. Corporatewise, it went up 22.5% from $58,530,000 to $71,709,000 in the last fiscal year. But the discount stores' share fell to 57.5% or $41,220,000, from 85.7% or $50,159,000—a net dollar drop of 17.8%. The specialty stores' operating income almost quadrupled to $30,489,000 or a 42.5% share, from $8,371,000 or a 14.3% share.

Company executives cited the recession as affecting the discount stores' main customer base—"primarily working people and low-to-middle-income families."

The discounter responded to the recession in the last quarter in 1981 by "sharpening our pricing and strengthening our promotional offerings" with the result that Zayre stores had a stronger sales gain in the holiday period than the previous months and ended the year with inventories that were "well balanced and lower than they would otherwise have been."

The leaner and tighter-merchandised stores position Zayre to quickly respond to any upturn in the economy while still remaining highly competitive.

While waiting for an upturn, Zayre is continuing to modernize older stores to fit the new prototype, which includes such upgraded merchandise moves as the "What's Cookin" concept in housewares, a new bath shop presentation in domestics and addition of lifestyle modular furniture.

Renovations were made in 34 units last year and the 24 set for this year will result in 209 Zayres or 77% of the chain following the new store format.

A dozen Zayres were opened last year and two were closed resulting in a net gain of four, for a total of 258.

A similar plan is projected for this year: 12 openings and four closings to end with 266 units. The growth will again be focused on markets where Zayre already has a number of stores, and includes four more for the Atlanta area where the discounter already has nine, three for Boston to go with the dozen already there and another in Chicago, home to 34 Zayres.

Zayre, Hialeah, Fla., illustrates merchandising of small durables that need service, such as auto stereo systems in front of store. This Brand Name Value Center section is now in more than 100 Zayres.
(DSN photo)

Roses: 10 Bows For '83

HENDERSON, N.C.—Sporting a newly refined format in nine remodeled and 11 new discount stores, Roses is expected to help its parent company close out fiscal 1982 with a sales gain of 17%.

After winning a 13% hike in sales to pump profits up 27% to $8,241,658 last year, Roses Stores Inc. is holding fast to its plan of upscaling existing discount units and deepening penetration of stronger markets.

Location of Units

The chain pulled out of the competitive Louisville market in an exchange of stores with Cook United for two units located in North Carolina and Georgia, where Roses is better established. Smaller units are still in operation outside the Louisville standard metropolitan statistical area.

Four former King's stores were also picked up, bolstering Roses' position in the North Carolina area and extending the Virginia stronghold by 30 miles—into West Virginia. (By the end of this year the chain will operate two stores in West Virginia.)

For the first half of the year the company, which operates about 180 Roses stores and 61 P. H. Rose variety stores, reported sales of $293,950,890.

Figures Analyzed

Although the company gained 9.5% in sales for the half, earnings slipped by 1.4% due to lower margins, increased advertising costs and higher utility costs. The earnings aren't considered indicative of the year by the company because of the seasonality of the retail business.

Roses, which accounts for 92% of the company's business, showed a 10.2% increase in sales for the first half and a per-store sales gain of 8%.

Ten new Roses are already planned for existing markets in 1983. The company will also continue to remodel older stores to fit the latest prototype.

NOW YOUR CUSTOMERS CAN ENJOY ANCO QUALITY... AND SAVE $5.25 IN THE BARGAIN!

Order now for profit!
Get set for ANCO's "GREAT COUPON CLIPPERS DERBY."

$5.25
UP TO REBATE ON WINDSHIELD PRODUCTS IN THE GREAT ANCO
Coupon Clippers Derby!
For a limited time, see your way clear to rebates from ANCO.
OFFICIAL MAIL-IN CERTIFICATE
UP TO $5.25 REBATE ON ANCO PRODUCTS
ANCO PRODUCTS
$1.50 REBATE
ANCO
To see your way clear
$2 REBATE
$1 REBATE
25¢ REBATE
50¢ REBATE
29-18
ANCO Winter Blade
ANCO Windshield Washer Anti-Freeze Concentrate
DANGER POISON
Flammable
Vapor Harmful
May Be Fatal Or Cause Blindness If Swallowed
Read Carefully Other Cautions On Side Panel
Net Contents 16 FL.OZ.
ANCO Windshield Washer Pump
Fits All Cars
Stock No. 65-01

It's ANCO at its promotin' best. A rebate program with plenty of appeal to the customers who know how ANCO products can make their driving easier and safer.

The program product lineup includes substantial savings on ANCO heavy-duty winter blades ($1.50 per pair); America's best known blades ($1.00 per pair) and refills (50¢ per pair); windshield washer antifreeze concentrate (25¢ per bottle) for film-free vision; and universal washer pumps ($2.00 each) to fit virtually all domestic cars . . . and imports.

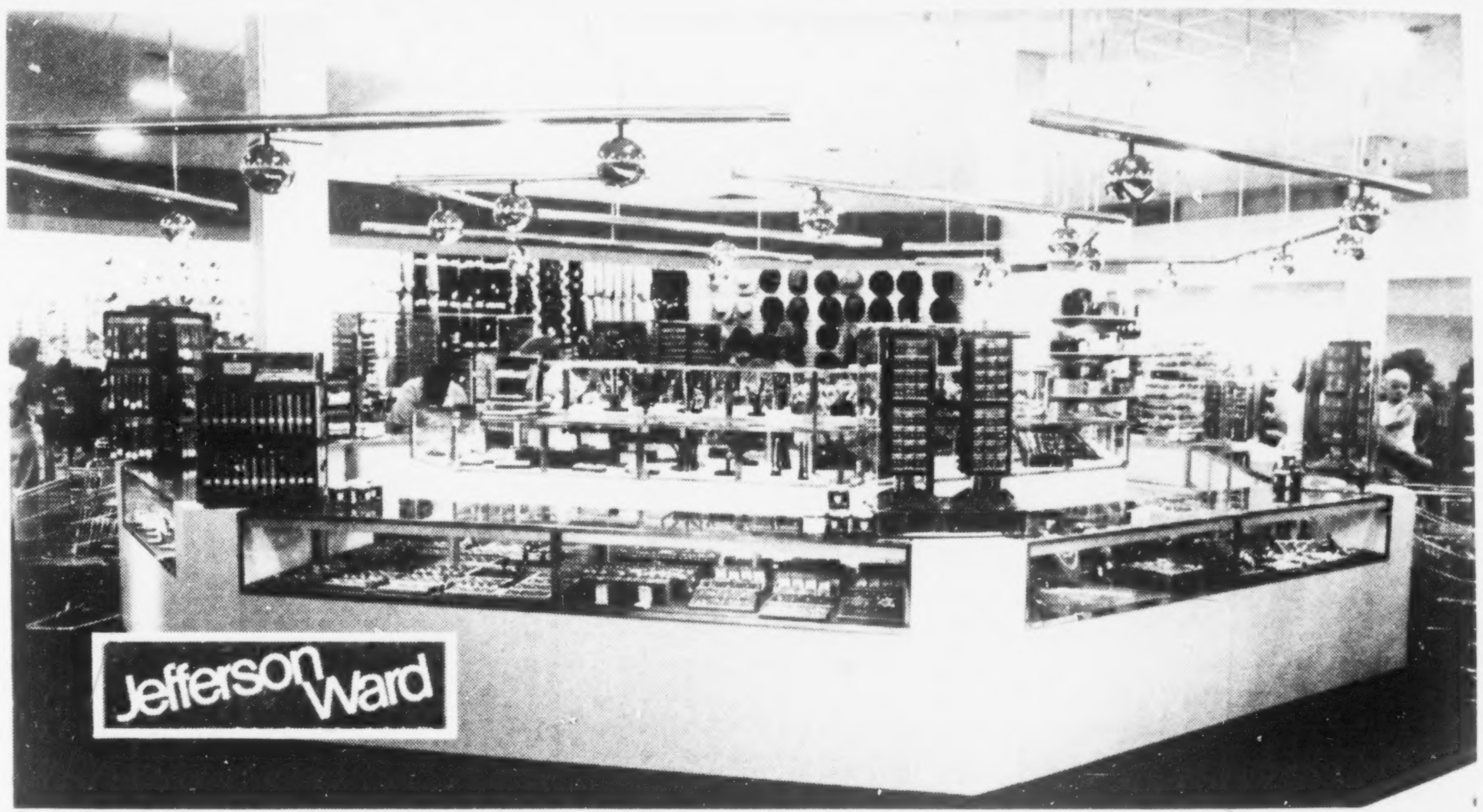
Media support is especially timely *and* heavy. Look at the kind of "pull-through" advertising and coverage ANCO will supply to bolster your own efforts. **Magazines**: We'll appear prominently with our Coupon ad with two multipage ads in *TV Guide* on Nov. 6, 1982, and Dec. 4, 1982. Over 40 million prospects can read about this money-saving ANCO program in America's most popular weekly magazine. **TV and Radio**: Add to this reading audience the millions of those who will view ANCO's "Laurel & Hardy" TV spots *plus* those hearing our "rainy day" local radio messages. **Point-of-Purchase**: Lively in-store materials will also be informing your customers that big things are happening with ANCO. Ask your representative or supplier for details.

Remember. No other windshield wiper brand provides this kind of sales support. With ANCO, we make sure you get more than windshield wiper products . . . you get the organization, resources and consumer marketing knowledge to help you sell them, too.

So don't delay! Stock up now. ANCO's "Great Coupon Clippers Derby" is ready to help you promote for profit.

ANCO®
To see your way clear
Gary, Indiana 46440

New Store Prototype Is Being Unwrapped By Jefferson/Ward



Jewelry department is spotted at front of Jefferson/Ward stores, as in Woodbury, N.J., unit which was recycled and traded up from format used by previous owners. *(DSN photo)*

MIAMI—There's a new Jefferson/Ward coming.

The discount store arm of Montgomery Ward was due, at presstime, to show off a new prototype store in North Miami that has been developed by the Jefferson/Ward team assembled during the past 18 months.

The new store will be the clearest manifestation of the repositioning of the chain as a promotional department store, a refinement of the upscale discounters from which Jefferson/Ward plucked most of its top executives.

Parts of the total package have already gone into a number of Jefferson/Wards. These elements include a greater exposure of name brand merchandise at the expense of private label Montgomery Ward goods, use of which has been sharply cut back; and a narrower but deeper assortment, so that the discounter takes a dominant stance in key, consumer-demand categories such as apparel.

A practical result of this merchandising is more productive use of Jefferson/Ward's inventory investment to make the discounter less of a burden on its financially troubled parent.

Montgomery Ward, which lost $160 million on $5.7 billion in sales (including about $560 million from Jefferson/Ward) last year, required infusion of about $575 million during the past two years from its parent, Mobil.

Directing the discounter's dollars to categories and items that generate maximum sales and profits, rather than being shotgunned across the merchandise spectrum, reflects the retailing philosophy of Montgomery/Ward head Stephen Pistner, who had been president of Target where he successfully executed such a program.

Jefferson/Ward's new executive staff is the product of one of the largest shifts in management in the discount industry's history.

The hiring of about a dozen executives and the resulting staff realignment into distinct operational and merchandising components are among the most obvious changes at the chain.

A plan to convert as many as 114 Montgomery Ward stores to Jefferson/Wards has been put off and the actual number that will be remerchandised is in doubt; the parent company has already closed 33 of the units targeted for conversion.

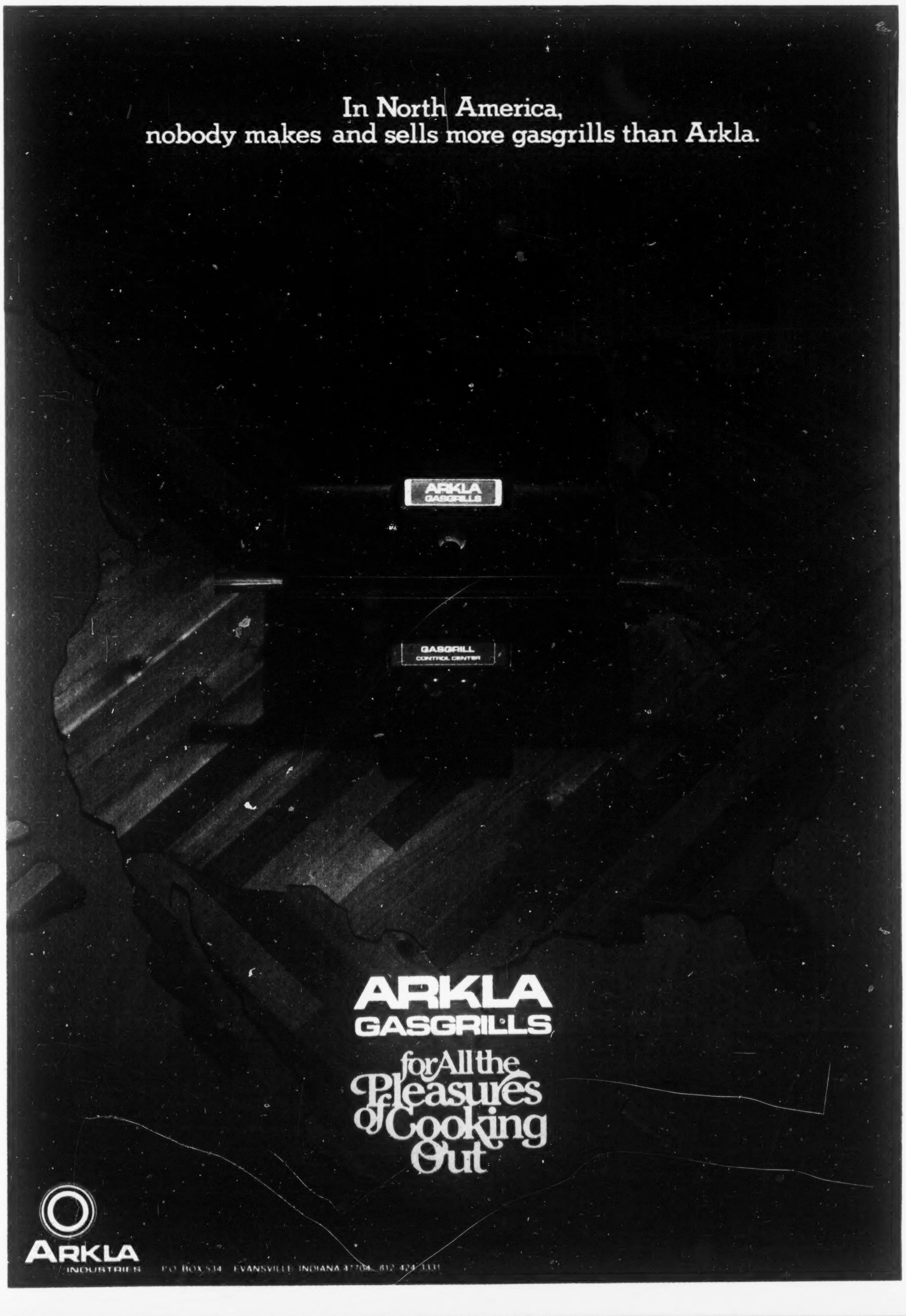
Jefferson/Ward is in a holding pattern as its super-parent Mobil awaits the outcome of the changes due at the discounter and its parent department store company. The success or failure of these moves will determine whether Mobil retains its retailing operations or loses interest in them.

The staff structure put into effect in Miami over the past year was part of the laying of the ground for a new Jefferson/Ward.

This structure has Arnold Suval as chairman, responsible for the long-range development of the chain, with Arthur (Jim) Baumann as president, overseeing day-to-day operations.

The merchandising side has three senior vice presidents: one for soft lines (Richard Jolosky), and two for hard lines (Richard Evans and Louis Schultz).

The operations side's top executive post was vacant at presstime. It had been held by Ed Dixon, senior vp, store operations, who was killed in an airplane crash in New Orleans in July. Martin Baker heads up the advertising effort as senior vp, sales promotion.


In North America,
nobody makes and sells more gasgrills than Arkla.

ARKLA
GASGRILLS
for All the Pleasures of Cooking Out

ARKLA
INDUSTRIES P.O. BOX 534 EVANSVILLE INDIANA 47704 812 424-3331

Target

(Continued from page 53)

ferring about 20% of our previously announced capital investment plans, and Target will bear the heaviest brunt of that cutback."

Before this announcement, Target was scheduled to add about 85 units between 1982 and 1986.

Target ended 1981 with 151 stores. A total of 18 new stores will be opened during calendar 1982 bringing the chain to 167 stores. The FedMart stores will add another 33 to the fold. Six stores in San Antonio, a new market for the chain in Texas, have been announced as opening in spring 1983.

Floyd Hall, Target's chairman, said the company's plan for the FedMart sites "is to completely convert these [FedMart] buildings to the Target format. . . ." He added that the remodeling of the California stores would begin as soon as possible and be completed in April-May 1983. The Arizona and El Paso stores are scheduled to open later, in summer 1983.

The chain's February and March sales were up 23% and 18%, respectively; May sales were ahead by 17%; June, 14%, and July, 16%.

Zodys to Slow Expansion In '83 After 2-Year Push

Zodys' refurbishment program includes the rollout of 500-sq.-ft. franchised cosmetics departments, expected to increase sales by 25% and complement the chain's upgraded apparel presentation.

LOS ANGELES—After growing at a rapid rate in the last two years, Zodys plans to slow down its expansion thrust going into 1983 with only two to three stores projected in each of the next two years.

"Our expansion beyond this year will become more modest, as we digest both operationally and financially, the strong programs of last year and this," said Edward Solomon, chairman, president and ceo of Zodys' parent company, HRT Industries Inc.

In the past two years, the discounter added 14 new stores—seven of which were takeovers from Gold Circle, which pulled out of the California marketplace.

With the Ceres, Calif., unit, south of Modesto, and the East Riverside store both opened in August, Zodys brought on line seven new stores this year, bringing its store count to 55. Seven takeovers—four in San Jose and three in Sacramento—are expected to boost Zodys' owner-operated sales in fiscal '83 by about $50 million, Solomon said.

In California, the discounter extended its northern boundaries to Sacramento and its southern boundaries to Oceanside, about 50 miles south of Los Angeles, in the past 12 months. The chain also bolstered its inland California run from Sacramento with its Ceres store opening. Next year, the new units will be in states and areas in which the chain already operates.

"As a result of that ambitious program, we are poised to capitalize significantly on an upturn in the economy when it does occur," Solomon said.

HRT Industries owner-operated sales for the current fiscal year are projected to exceed $475 million, up 21.5% over last year's $391 million. Zodys' contribution to total corporate sales this year is expected to near 80% or around $380 million as a result of the company's sale of its 68-unit Hartfield chain to Petrie Stores earlier this year.

Zodys' rapid expansion, coupled with Shoe Stop's strong and continued growth, is expected to catapult HRT Industries sales to nearly $600 million in fiscal 1985.

For the fiscal year ended Jan. 29, Zodys' sales rose 24.6% to $310.03 million, excluding sales of licensed departments. HRT Industries net income for the year was $6.6 million, compared to $2.95 million a year earlier, with store-for-store sales in all retail divisions up 8%.

Within the next two years, Zodys expects to complete its chainwide upgrading and refurbishment program with only 12 units left to complete.

HRT Industries' capital expenditures for the current year will near $9 million net of leasing, with that sum decreasing to about $6 million and $5 million respectively in the two subsequent years, Solomon said.

In addition to new stores and Zodys' upgrade program, capital expenditures will include the completion of the POS register installations and related equipment in the Zodys division, as well as the equipping of a new distribution facility in the Greater Los Angeles Area in fiscal '84.

"These latter expenditures," Solomon said, "are geared to provide us with more efficient inventory control and speedier distribution of merchandise."

Gemco/Memco Net Depressed By Recession

BUENA PARK, Calif.—Gemco/Memco, the discount department store division of Lucky Stores, continues to be adversely affected by the recessionary climate.

Pretax earnings dropped a sharp 92.5% to $160,000 for the first quarter ended May 2, as sales rose 9.4% to $442 million for the period.

Operating cost increases and continued softness in the economy are preventing any rebound in Gemco/Memco's earnings, as well as Lucky's specialty stores, and this is expected to cause a further decline from last year in Lucky's second quarter earnings, which were not available at presstime.

"The department stores' primary customer base has been particularly hard-hit by inflation in basic living expenses and lack of credit availability," according to S. Donley Ritchie, Lucky chairman and ceo.

Shifting Attitudes

"Consumers have become cautious spenders and this has affected sales of higher priced or discretionary items such as household appliances, jewelry, sporting goods and some apparel items," he said, adding "basic merchandise continues to sell well."

For the second consecutive year, Gemco/Memco's year-end figures (Jan. 31) were again disappointing with pretax earnings, after LIFO charges, dipping 24.7% to $31.4 million on a sales gain of 12.3% to $1.87 billion.

The discounter's operating results for the last completed fiscal year reflected a sizable nonrecurring loss associated with the year-end closing of two Memco stores in North Carolina and one in Richmond, Va. In addition, the Memco stores had a significant negative impact on the division's earnings because of a food price war in the Washington, D.C. area. Earnings were further impacted by price reductions and

(Continued on page 62)

A new name, a new look, a new deal. From an old friend.

Special introductory offer! Save 10% on any order.

[illegible] you're familiar with Quikidex and [illegible] Plus, our best selling home office products. Now we've redesigned the packaging and simply [illegible] them "Aigner," the same name you've [illegible] for years. So our line is more efficient-[illegible], more unified, to give you better merchandising and greater consumer appeal!

Your customers will turn to Aigner for [illegible] like card guides, [illegible] indexes and [illegible] stik tabs. You'll give them top-line quality [illegible] you enjoy bottom-line prices, an extra 10% discount on any order you place. 10%! Now through November 30, [illegible] your old friend Aigner. Call or write for details.

HOME OFFICE
Aigner
5 index dividers
Aigner
alphabetical index dividers
Aigner
12 insertable file guides
Aigner
5 index
12 insertable
alphabetical index guides
A B C D E
1 2 3 4 5
Aigner
numerical index guides
Aigner
telephone message book
10%

Aigner An Avery International Company

420 S. Clinton Street, Chicago, Illinois 60607 (312) [illegible]

See us in the Aigner/Avery Booth at the N[illegible]

BEST AVAILABLE COPY

Gold Circle, on Expansion Kick, Eyes $500 Million Biz

WORTHINGTON, Ohio—Gold Circle looks to post a 26% sales gain this year, anticipating volume of $500 million vs. $397 million a year ago, based on its expanded base in the Midwest and northeastern corridor.

The chain, one of Federated Department Stores' two discount divisions, began the year with 36 units, after having shed seven California stores last year.

The California stores, deemed unprofitable because of their distant locale, were leased to Zodys. Federated reported the closed California units combined with its shuttered Gold Triangle division to account for $42.9 million in volume and a $1.6 million loss in operating profit in 1981.

Gold Circle and Richway, its sister discount division, together contributed $663.5 million in sales or 9.4% of Federated's total, and $18.8 million or 3.1% of total company operating profit in 1981.

More Important Role

With new units in existing markets in Ohio, Pennsylvania and Rochester, and a new foothold in upstate New York through the acquisition of Twin Fair stores, Gold Circle looks to up its contribution to the parent company's total sales.

In a leasing agreement with Twin Fair for seven units, Gold Circle agreed to issue to Twin Fair $14 million in six-year non-interest bearing notes and to loan the company $2.5 million repayable at 12% interest over five years.

Through the seven-unit Twin Fair acquisition, Gold Circle makes its entry into the Buffalo-western New York market, and adds to its presence in the state. The new market entry complements the chain's distribution and advertising systems already in place for Rochester.

Gold Circle will also open its fifth Rochester unit this fall. Almost simultaneously, a new unit will open in Pittsburgh to give the chain five in that market.

Earlier in the year, Gold Circle added to its northeastern Ohio market presence with the takeover of three ex-Clarkins units which gave the chain a total of 30 in its home state.

Gold Circle, despite having stores in some of the most recession-riddled states in the nation, particularly its home state, reported it had managed to improve same-store performance during the first quarter and into the second quarter.

Comparable-store sales for the period were 17% ahead of those a year earlier, placing Gold Circle's performance with the creme of the crop in discounting and in its Federated stable. The chain in 1981 had comparable-store sales 12% better than those posted in 1980.

Upswing Noted

For the 26-week period ended July 31, Federated noted that Gold Circle and Richway's combined 17.2% increase in sales to $320.3 million from $273.3 million, was stronger than results posted by most of the company's department and specialty stores.

Gold Circle's chairman and ceo Norman Matthews attributed the chain's success to new strategies in inventory management, advertising and marketing.

Among new marketing strategies, the chain is treating departments as "separate shops under one roof."

The Twin Fair remakes, like the Clarkins takeovers and Gold Circle's new units, refine the new look Gold Circle developed for its Severance Mall, Cleveland Heights, Ohio, unit which came on line last December.

The Severance unit, at 85,000 sq. ft., about 25% smaller than the average Gold Circle, was the first newly built Gold Circle to receive a race track format and department repositioning that focuses on soft lines.

Matthews said Gold Circle's decision to build smaller units in the future is an effort to increase its gross margin retu[illegible] on investment.

Gemco/Memco

(Continued from page 61)

increased advertising in an extremely competitive environment.

The chain continues to apply its philosophy of sacrificing short-term profit margins for long-term sales gains. Gemco stores operating in California, which numbered 59 at year-end, averaged nearly $30 million each in sales during 1981.

In an effort to pare some of the adverse effects of the economy, Gemco/Memco embarked on a new combined radio and television advertising campaign strictly in the Southwest, according to Peter Harris, president.

Typically, the chain's primary advertising vehicle is its direct mail Gemco Courier, which is distributed monthly to the chain's membership lists. The new ad campaign, started about mid-May, is a combination of an institutional ad and specific product promotions.

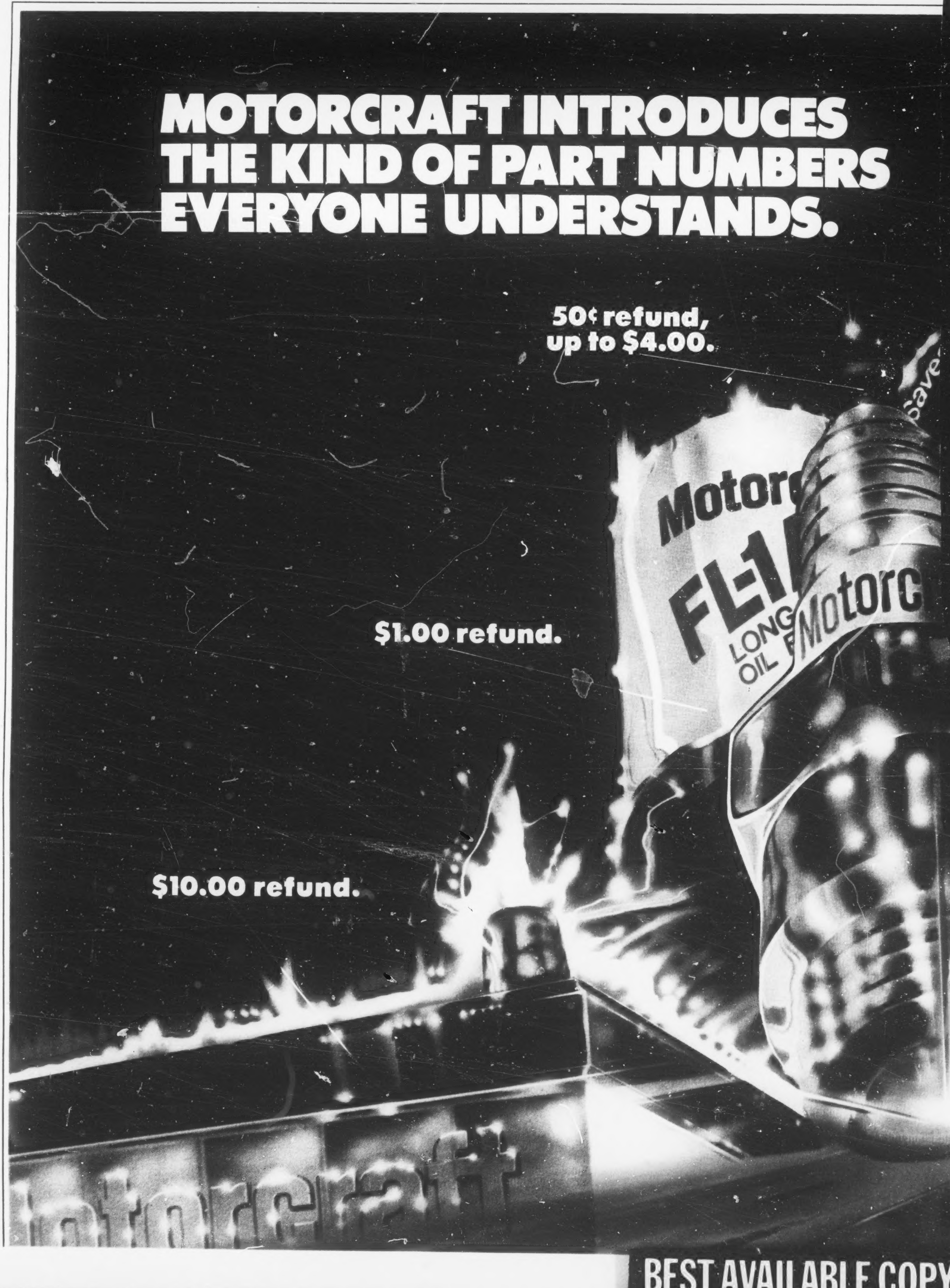
The various spots emphasize that the chain has lowered prices even further and 1,000 prices have been reduced storewide. This is in addition to the 3,000 food prices that have been reduced in the chain's grocery department, which takes up about 20% of the store's selling space.

New Approach

Gemco/Memco also broke away from tradition this year by running a major newspaper advertising campaign announcing that Gemco stores in Arizona and California would now be open seven days a week including Mondays. Historically the majority of Gemco/Memco stores operate only six days a week, closing on Mondays.

While the move is in part attributable to the economic climate and customer preference, some sources say the chain is positioning itself as the discount department store that can fill the market void resulting from FedMart's closing. The ads ran for several weeks prior to FedMart's shutdown and included a membership application at the bottom of the page and spotlighted various name-brand products and prices.

The retailer did pick up the pharmacy inventories and files of 27 FedMart stores in southern California and had a direct mail piece to each former FedMart customer on those lists within five days of taking over the inventories.



BEST AVAILABLE COPY

candy
Hills

Hills has added a snack bar in store lobbies to boost sales while increasing services to shoppers. All new stores, as in Niagara Falls, N.Y., plus remodeled Hills, are getting it. *(DSN photos)*

Hills Opening Seven in 1982, Including Its First in Syracuse

CANTON, Mass.—Hills will invade Syracuse for the first time this fall as the discounter sets its sights on the 100-store mark.

The Syracuse unit will be one of seven new stores opened in 1982 by the 93-unit discount division of SCOA Industries.

Hills has already opened 80,000-sq.-ft. stores in the Short Hills, Pa., suburb of Pittsburgh and in Bloomington, Ind., this year.

The other four stores due in 1982 will be in western Pennsylvania, an area where Hills already has more than two dozen units, including a dozen in the Greater Pittsburgh market.

The move into Syracuse is an eastward thrust from the Greater Buffalo-Niagara Falls Area in New York where the discounter already has eight stores.

If Hills carries out its usual program of blanketing a market with a number of stores, the premiere Syracuse unit will be followed by additional stores next year.

Improvement Reported

The steady store growth—10 units were also unveiled last year—comes as the discounter continues to refurbish and update older Hills, including phasing in such new departments as snack bars.

Hills' three-year modernization program is due to be completed this year and will result in all stores having new signing and new wall decor.

The snack bars, which have become standard in new stores opened in the past 18 months, were installed in 14 older stores last year and will be added to 20 such Hills this year.

The snack bars are at the entrance and replace vending machines, thereby generating greater sales and profits for the discounter.

Hand in hand with Hills' physical upgrading is the discounter's upgrading of soft goods to feature more name brands, with Bon Jour, Lee and Wrangler among the lines already added.

A similar stepped-up focus on name brands has taken place in Hills' shoe department which is run by SCOA's retail footwear division.

The discounter's focus on greater brand identification for apparel reflects the importance of soft goods to Hills' overall mix. Soft goods account for about 60% of its sales, one of the highest percentages of any discounter.

Aiding the discounter's sales of soft goods is its computerized merchandising program. Hills was one of the first discounters to develop such a program.

DSN projects Hills will generate about $910 million in sales this year, up about 15% from an estimated $790 million last year.

Four-Point Plan Set By Cook

MAPLE HEIGHTS, Ohio—Cook United hopes to put itself on the road to recovery with a four-point program keying on existing strong markets, its new apparel distribution center, a new electronic reorder system and a consolidation of staff functions.

The plan, outlined by president and newly appointed ceo George Jeffers at the chain's June annual meeting, is expected to boost the chain's sales to an estimated $639 million from $583.6 million last year.

Net earnings last year moved to $9.7 million, a considerable improvement over the $2.7 million in the prior year. The chain operates 119 stores.

Increased Sales

The new plan was put in place on the heels of a weak first quarter which showed a net loss of $3.2 million compared to the prior-year quarter which showed a $122,000 profit. First-quarter net sales rose 23%, however, to $198.4 million from $161.8 million in the first quarter of 1981.

Company execs attributed the poor performance to the inclusion of the 47 Rink's stores acquired by the chain in April 1981. It also cited one-time costs incurred in the consolidation and streamlining of Cook's retail and wholesale operations.

Those operations now consist of Cook's, Rink's, Consolidated Sales and Uncle Bill's. Those realignments are hoped to provide better store supervision, better distribution and are of crucial importance to insure seasonal merchandising needs of the company's varying regions, according to the chain's president.

$1.50 refund on 5 quarts.
$1.00 refund.
Motorcraft
Ford
Super Premium
10W-40
Fuel Efficient Motor Oil
W-30 Motor Oil
SAE-30 Motor Oil

The part numbers we're talking about are consumer refunds — a total of $19.50 from September through January. In fact, we've doubled previous refunds on spark plugs and batteries.

In September, October, and November, there's up to $7.50 back on plugs, filters, and oil: the Motorcraft products retail customers use most in the Fall. Plus a $1.00 refund for buying two or more of these Motorcraft products at the same time. And a coupon worth another $1.00 toward the customer's next Motorcraft purchase. That's a total of $9.50. Then, November through January, there's a $10 refund on batteries.

That's a total of $19.50 in consumer refunds from September through January, to get do-it-yourselfers into your store, and to keep them coming back.

To help build profits while building traffic, eligible accounts get healthy product discounts and 100% co-op advertising on qualifying purchases.

There's also extensive national advertising on TV, radio, in magazines and newspapers, as well as attractive point-of-purchase. For complete information, contact your Motorcraft supplier. Or call 1-800-521-4114. (1-800-482-4102 in Michigan.)

This Fall, stock the part numbers your customers understand. From Motorcraft.

Motorcraft

...FOR SURE

1982-83 DISCOUNT STORE MERCHANDISING PROFILES

We Have Low Prices Everyday!
Wal-Mart is Designed To Save You Money ...Everyday!
WAL-MART
WAL-MART
WAL-MART
WAL-MART

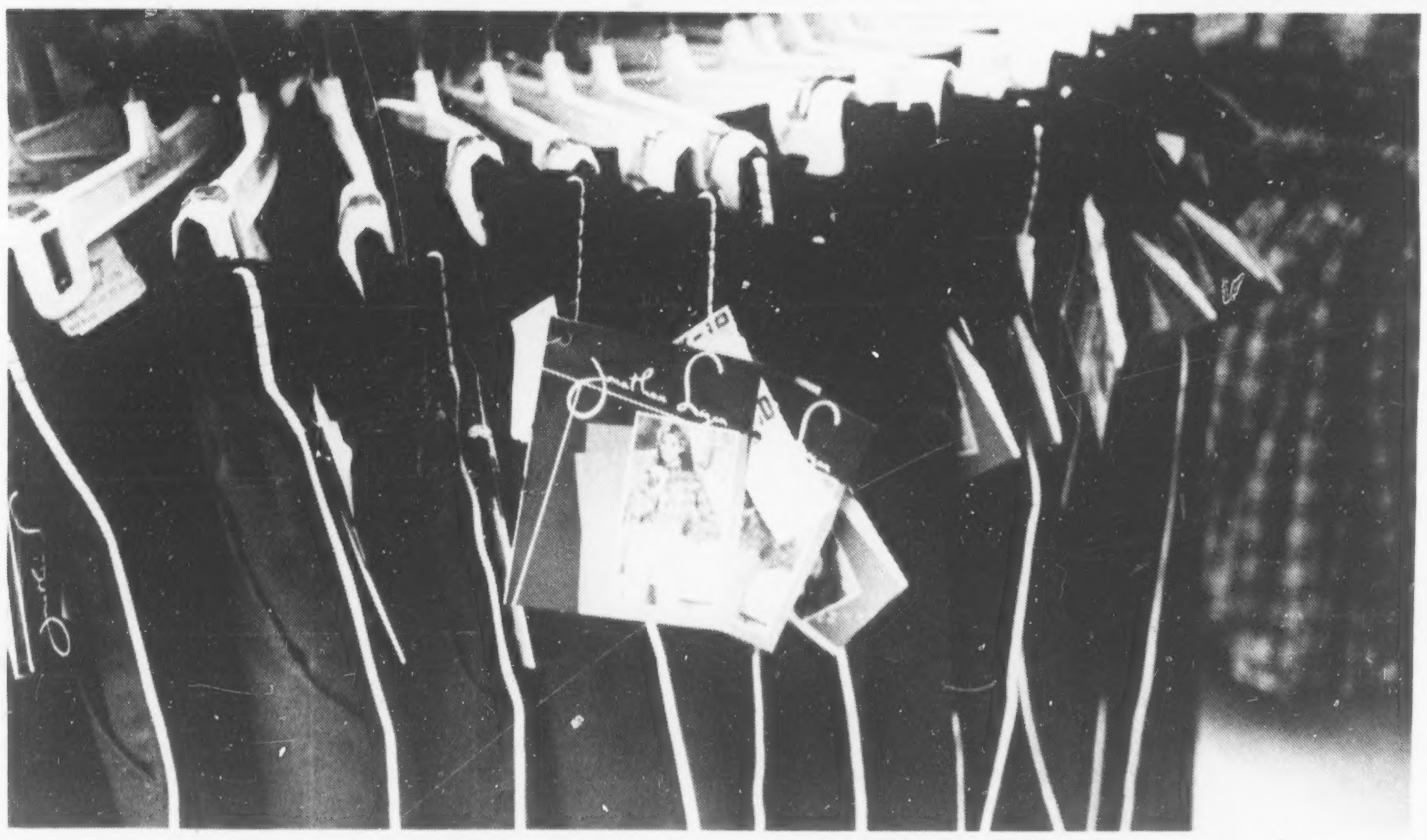
Ladies' Apparel Leads in Biz, Turns

Category	Discount Volume in Billions	Sales Per Store (add 000)	Dept. Size	Annual Sales/ Sq. Ft.	Annual Turns	% Initial Markup	% Gross Margin
Ladies' Apparel	$11.8	$1,424	10,000	$142	5.9	46%	36.0%
Men's & Boys'	6.6	797	7,600	105	4.0	41	35.0
Housewares	5.3	639	5,750	111	3.9	36	31.0
Automotive	4.5	543	2,280	238	3.5	34	27.0
Health & Beauty Aids	4.6	555	2,275	243	4.2	25	22.3
Hardware	4.1	495	3,210	154	2.5	40	34.0
Consumer Electronics	4.3	519	2,200	235	2.9	30	17.0
Toys	3.5	422	2,650	159	3.4	37	31.0
Sporting Goods	3.1	374	2,500	149	2.5	37	31.0
Photo & Camera	2.9	350	675	518	3.2	23	17.0
Domestics	2.5	301	3,125	96	3.0	42	35.0
Personal Care Electrics	2.5	301	900	334	4.0	22	16.0
Stationery	1.6	193	1,800	107	3.2	45	40.0
Records & Tapes	1.6	193	1,050	183	3.4	25	23.0
Electric Housewares	1.5	181	875	206	4.0	23	16.0
Paint	1.5	181	1,270	142	2.1	44	37.0
Fabrics & Sewing	1.1	132	1,350	98	2.2	45	39.0
Jewelry	1.1	132	550	240	2.5	48	42.0
Glassware	0.6	72	625	115	4.0	42	37.0

(Source: DSN Research)

Dual Mirrors
MIRROR
MIRROR
MIRROR
MIRROR
MIRROR

148.00
ATARI
ATARI VIDEO GAMES
ATARI
by ATARI



INDEX

Automotive 81
Children's Wear 110
Consumables 87
Consumer Electronics 68
Domestics 70
Electric Housewares 103
Fabrics/Sewing 96
Family Reading Centers ... 97
Glassware 104
Hardware 74
Health & Beauty Aids 90
Home Security 106
Housewares 98
Jewelry 94
Ladies' Apparel 118
Lawn & Garden 108
Men's/Boys' Wear 122
Paint 85
Personal Care Appliances .. 105
Photo/Cameras 88
Records/Tapes 104
Sporting Goods 113
Stationery 67
Toys 121

Discount Store Census '82/'83

Home/Office, Greeting Cards Look Strong

Registering sales gains of close to 7% so far this year, discounters expect stationery volume to pick up even more before year's end.

Two blossoming categories, home office supplies and greeting cards, are pegged as this year's sure winners.

With the boom in home/office sales and the trend toward higher-priced individual greeting cards—both developing in the past few years—this year chains set apart home/office and increased assortments in both categories to boost sales during back-to-school and Christmas.

Counter cards saved the day for most discounters' greeting card programs last Christmas, after postage rates jumped 33% during 1981 further hurting the already soft boxed card sales. Boxed card sales slumped as much as 35%

Gold Circle, Magic Mart and Prange-Way are among chains that managed to garner card sales increases of about 25% during 1981 due to the popularity of individual counter cards. This year the chains implemented shifts in strategies to tap last year's market changes and are confident of even stronger card sales for Christmas of 1982.

New Strategy

Prange-Way buyer Barbara Batzner trimmed down on boxed cards and traded up to price points as high as $8. The assortment of individual counter cards, particularly licensed cards, was expanded along with category footage.

Magic Mart buyer Mark Dawson is following a similar plan:

"We're going to put in fewer boxed cards, keeping the prices in the $2 to $7 range. But we're going to concentrate on more expensive counter cards, including very large, foot-high cards."

At Heck's, Larry Lacey upgraded his card assortment by changing vendors. He believes the trade-up strategy is a direct result of last year's postal hikes.

"People realized they were spending more on postage than on the card itself," said Lacey, emphasizing that consumers are spending more for quality of the fewer special cards they're sending.

Setup Is Refined

Along with an upgraded selection, discounters have upped the space allocated to contemporary studio cards. At S. E. Nichols in New York, buyer George Scott reported increasing facings in sections expanded from 40 ft. to 80 ft. In larger units sections are as large as 100 ft.

Gold Circle switched to higher fixtures that allow greater visibility and offer more display space. The Ohio-based chain now uses fixtures 72-in. high as opposed to the 48-in.-high models.

John Martin, buyer for the chain, reported pushing the top price on his counter card selection from 50¢ to 72¢ for a single card.

To boost back-to-school sales as high as 50%, Martin broadened the assortment of home/office supplies in his department. Resources were cut back to two or three manufacturers

"We wanted to be able to offer a broad assortment at varied price points," Martin said.

Stationery

Discount Store Sales	$1.6 Billion
Sales per Store	$193,000
Department Size	1,800 Sq. Ft.
Annual Sales per Sq. Ft.	$107
Annual Turns	3.2
Initial Markup	45%
Gross Margin	40%

BOXSCORE

Card Carousel by Schary Contemporary
CHILDREN'S BIRTHDAY

Contemporary counter cards are getting more space from discounters as they continue to generate greater sales. At Gold Circle, Springdale, Ohio, an endcap display is used to play up the cards. *(DSN photo)*

Monarch's
PROMOTIONAL LABEL
Says it BIG, SELLS it BIG!

SALE
$1.74
SUNSHINE

Introducing Monarch's new promotional labeler, the Model 1176 — with an improved "reservoir" inking system to keep marking crisp and clean as well as bold. It prints huge 7 mm x 5 mm characters on a new, large-sized promotional label (shown actual size above) to increase in-store buying clues that trigger impulse purchases. Even influence customers to buy extra units of their planned purchases.

Merchandising through Monarch's 1176 promotional labels creates an aura of bargains in your store. They alert your price-sensitive customers to hot specials, even boost the sale of high-margin goods.

Huge price characters and attention-getting labels help extend your value/price image from promotional merchandise to your regular-margin merchandise.

Increase stock turns through multiple item purchases and impulse sales, use Monarch's 1176 promotional labels. For more information, write Monarch Marking Systems, Inc., Dept. 922, P.O. Box 608, Dayton, Ohio, 45401.

CALL TOLL-FREE:
800-543-6650
(In Ohio, call 800-762-6600). Phone lines open 7 a.m. 'til Midnight, Eastern Time, Monday Thru Friday.

Monarch Marking
A Pitney Bowes Company

©1982, Monarch Marking Systems, Inc. All rights reserved.

Sales Are Zooming 20% to $4.3 Billion

BOXSCORE

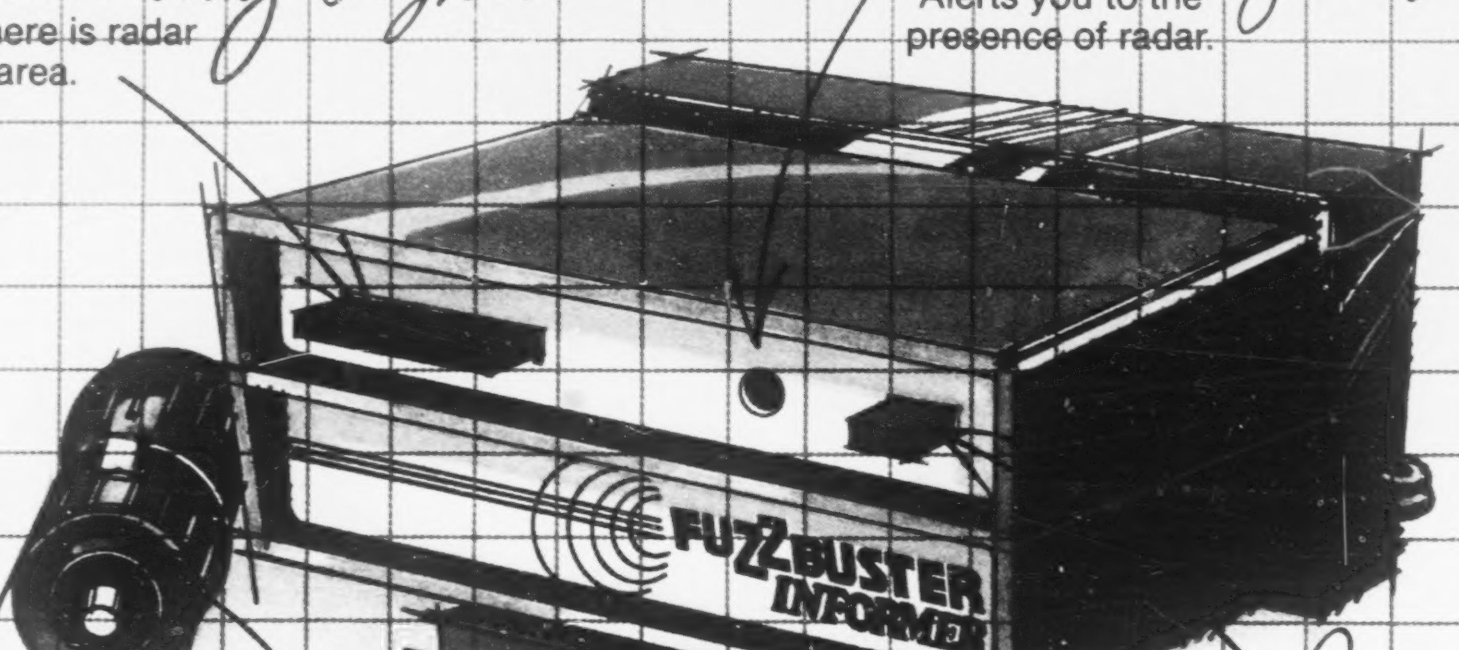
CE

Discount Store Sales	$4.3 Billion
Sales per Store	$519,000
Department Size	2,200 Sq. Ft.
Annual Sales per Sq. Ft.	$235
Annual Turns	2.9
Initial Markup	30%
Gross Margin	17%

YOUR FRIENDLY STORE
LOW LOW PRICES
+ RAIN CHECKS
+ PROMPT REFUNDS
= CUSTOMER SATISFACTION
QUALITY
VALUE
SELECTION

The best action in CE may be in video, but discounters are still finding strong audio sales in compact stereos such as this one featured in the center of Murphy's Mart's department in Charleston, W. Va. *(DSN photo)*

Introducing the new
FUZZBUSTER® INFORMER



LED Warning Lights
Inform you there is radar in the area.

Audio Warning Signal
Alerts you to the presence of radar.

Cigarette Lighter Plug
Mount your unit, plug it in and you're ready to drive.

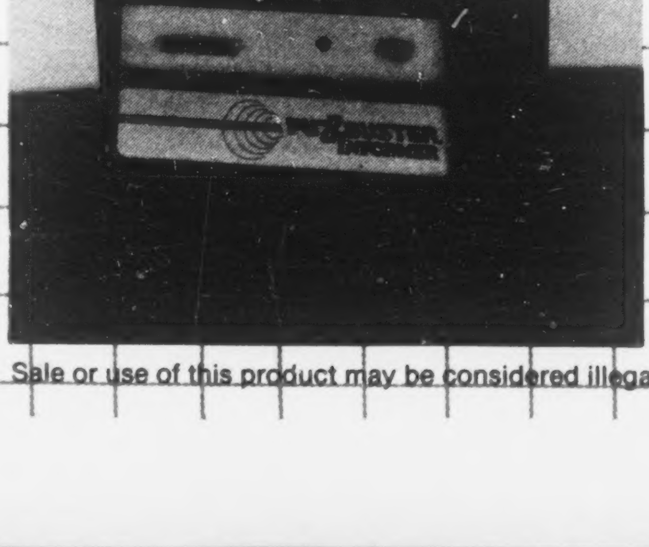
Mounting Bracket
For visor or dash mount.

Power Indicator Light
Lets you know when it's on and you're protected.

The Name To Remember...

Light years ahead of its time at an affordable price. The Fuzzbuster Informer picks up all types of radar, even the "off" frequency signals other units miss entirely. The Fuzzbuster Informer is low in cost—yet high in performance. Best of all, the Fuzzbuster Informer is completely automatic, no knobs to turn or buttons to push. Always operating at the highest degree of sensitivity. Simply plug it in and you're ready to drive. This new technological breakthrough has created a radar detector so compact and light weight, it can easily be visor-mounted. (The unit comes with its own mounting bracket).

Visor Mounted Informer


Dash Mounted Informer

Perfecting the art of discovery...

electrolert, inc.

4949 South 25A, Tipp City, Ohio 45371

Sale or use of this product may be considered illegal in Michigan or Virginia.

Throughout much of this year, the response to "what's faring well" has been answered by chain executives: "CE."

The consumer electronics department, while not impervious to hardships produced by the economy, was backed by the magic wand of technological innovations—particularly in video—for which American consumers have developed an ever-increasing appetite.

Department sales forged ahead 20% to $4.3 billion, up from 1981's $3.6 billion. Sales per square foot advanced 6% to $235.

Annual turns slipped, however, from 3.0 to 2.9. Initial markup rose by two percentage points but gross margins fell a percentage point to 17%.

For 1983, home entertainment video mediums look to trigger even greater growth.

Acknowledging explosive potential and better margins in the still-so-new home computer category, discounters have sprouted programs almost overnight. Where less than half a dozen chains explored a pioneer trail in computer merchandising, the route has widened to pull in most of the top discounters—K mart, Wal-Mart, Fred Meyer, Venture, Target, Caldor, Zayre, Hills, Gold Circle, Jamesway, Richway, Murphy's Mart . . . and the end is not yet anywhere in sight.

Rising Trend

While most still qualify their programs as "tests"—from positioning in stores to breadth of assortment—what were one-to-two-unit tests on endcaps and a gondola run have become "departments" with up to four vendors.

Atari 400 and Texas Instruments 99/4A still lead the personal computer vendor pack, but in head-to-head battles for positioning come Commodore's Vic 20 and Timex's Sinclair 1000.

Based on industry sources, the Electronic Industries Association (EIA) projects that by the end of 1982 some two million personal computers will be shipped to dealers.

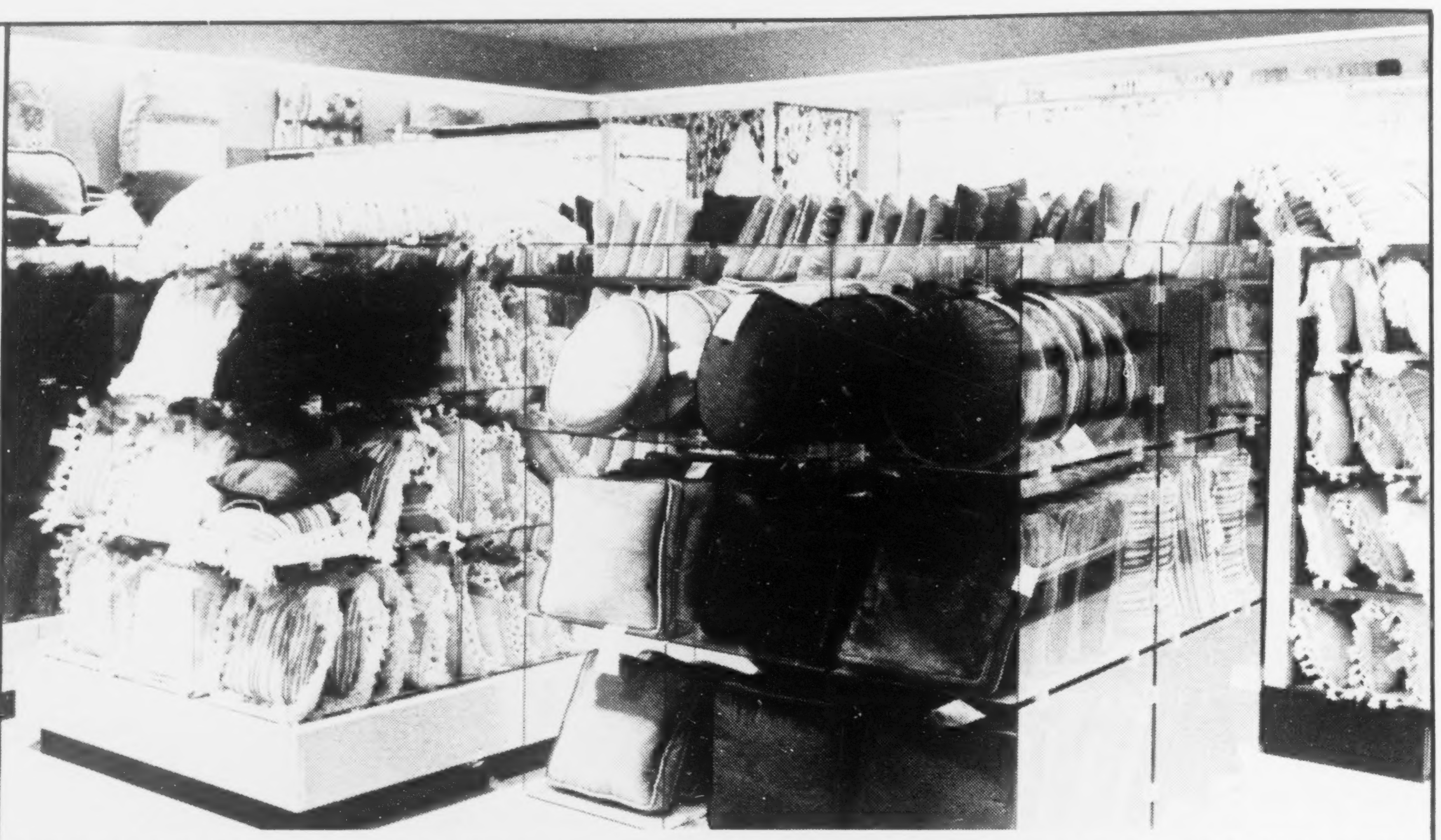
A breakdown for 1982 unit sales in the category shows: 500,000 hand-helds; 100,000 portables; 650,000 for under $1,000 retail, and 750,000 to retail from $1,000 to $5,000.

Tradeup Gains, But Price Promos Pull

BOXSCORE

Domestics

Discount Store Sales	$2.5 Billion
Sales per Store	$301,000
Department Size	3,125 Sq. Ft.
Annual Sales per Sq. Ft.	$96
Annual Turns	3.0
Initial Markup	42%
Gross Margin	35%



Plexiglas cubes in which throw pillows are arranged by color, fabric and shape make selections easier for Gold Circle's customers at the Cleveland Heights, Ohio, store. *(DSN photo)*

Discounters didn't hit the bull's-eye in domestics departments this year.

Despite efforts to expand this high-margin area, sales are soft, inching ahead to $2.5 billion, 4.2% ahead of last year.

Sales per store are seen gaining 2.3%, reaching an average of $301,000. Annual sales per square foot have moved up slightly from $94 to $96. Markup and gross margin are staying even with last year.

In one aspect, domestics' performance looks to take a small step backward. Stockturns are projected to dip from 3.6 to 3.4 this year.

The total scorecard zeros in on the dilemma posed by the domestics area. While discounters continue their efforts to trade up—in price points and merchandise presentation—bed, bath and kitchen domestics sales remain stimulated primarily by price promotions. But, the frequency of promotions plus the sharp prices it takes to move merchandise in quantity have a way of buffeting margins.

Situation Analyzed

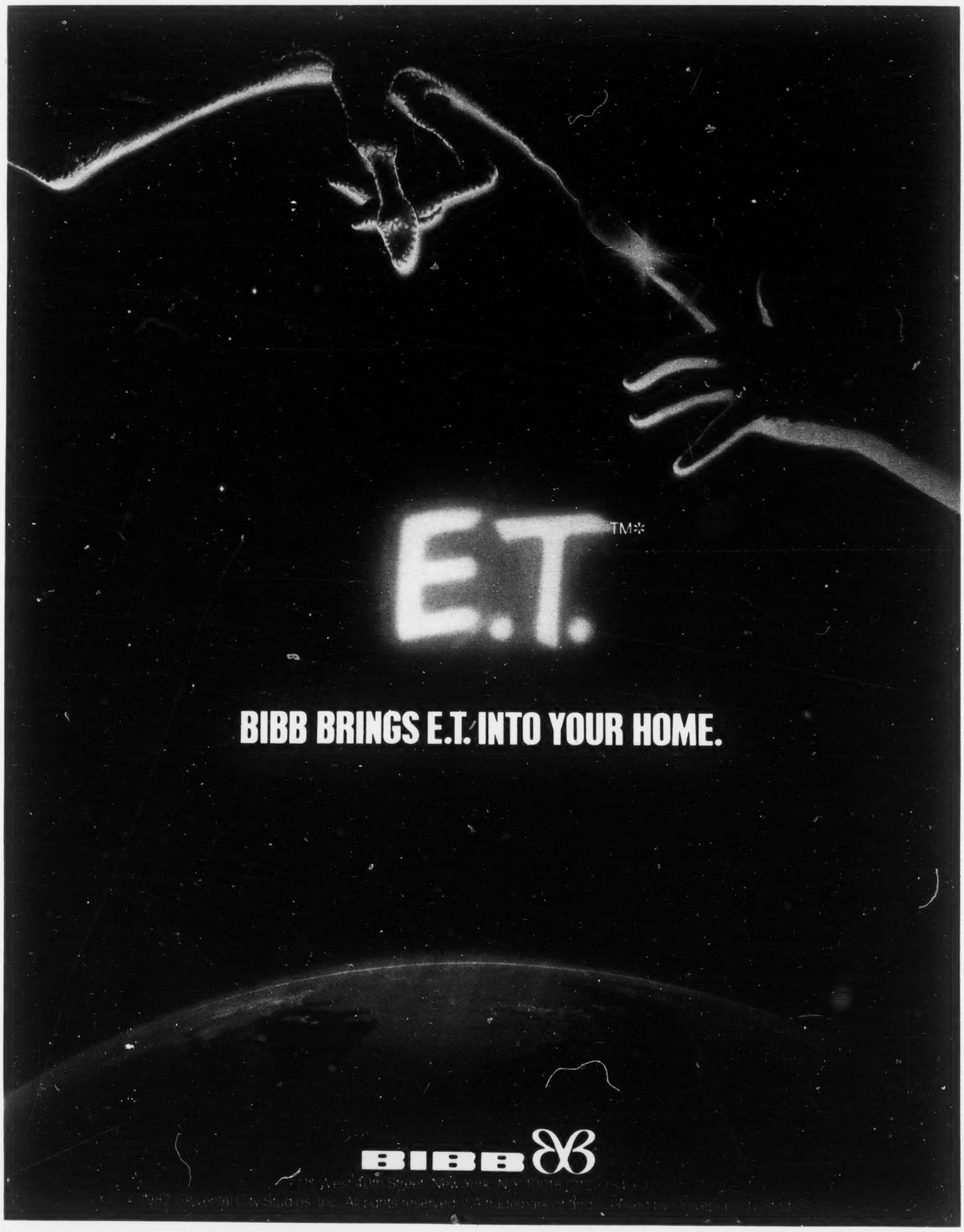
Last year's figures show discounters in the midst of a balancing act in which they held gross margins at 35% but didn't gain much in volume and slipped in stock turns.

An area representing a bright spot is kitchen textiles, with a wide range of strong-selling items—dish towels, potholders, appliance covers, placemats and table covers.

In this domestics category chains have been successfully exploiting customers' tendency to do more entertaining at home, and the popularity of such fashion trends as the Americana, wicker and Oriental looks.

Fishers Big Wheel pointed to kitchen textiles as the "best growth category in domestics." With a 50% increase in 1981 being followed by gains in the area of 40% in 1982—in tabletop items—this chain's enthusiasm is understandable.

ShopKo increased its sku's in kitchen ensembles this year, from 24-30 to 32. At the same time, recognizing the price sensitivity of the dish towel category, Fishers kept this item promotionally priced, from $1.99 to $2.99, but shot for higher markups in other items.

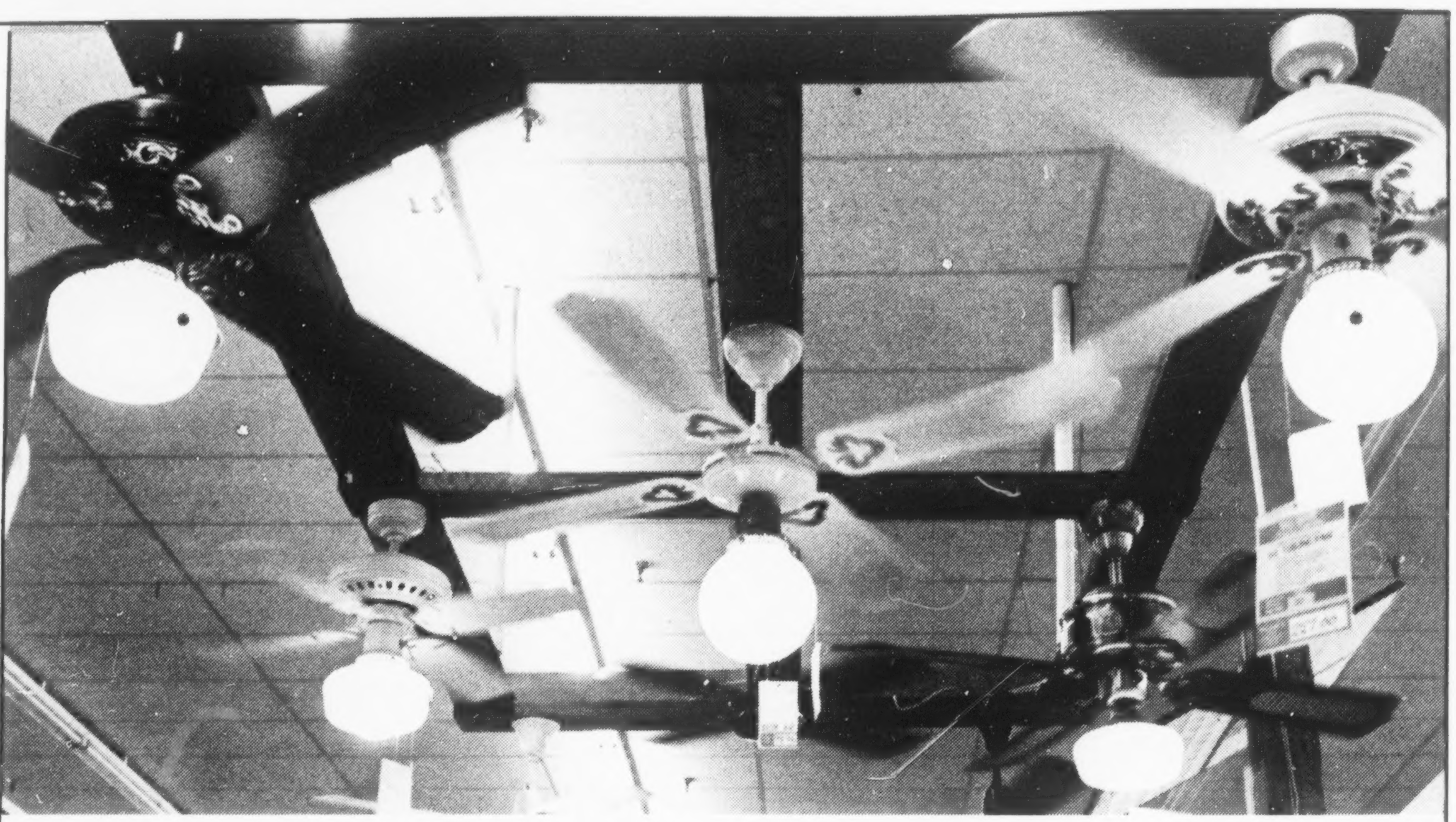

E.T.™*
BIBB BRINGS E.T. INTO YOUR HOME.
BIBB
111 West 40th Street, New York, N.Y. 10018
1982 Universal City Studios, Inc. All rights reserved.

Sure Sellers to Get Bigger Promo Push

Hardware

BOXSCORE

Discount Store Sales	$4.1 Billion
Sales per Store	$495,000
Department Size	3,210 Sq. Ft.
Annual Sales per Sq. Ft.	$154
Annual Turns	2.5
Initial Markup	4.0%
Gross Margin	34%



In-store displays like this in Wal-Mart, Rogers, Ark., boost already strong ceiling fan sales. Suspended wooden frames and use of matching light fixtures create an upscale look and lead to multiple sales. (DSN photo)

Discounters will be marching into the fall and 1983 armed with expanded promotional programs and assortments reworked to focus on basics after year-to-date disappointing hardware sales.

With turns dropping nearly 11% from 2.8 to 2.5 annually, chains are paring margins by two percentage points, from 36% to 34%, and initial markup by one percentage point, from 41% to 40%.

The result is a projected overall gain of 5.1% in hardware sales. Single-store sales are pegged for a mere 3.5% rise, and sales per square foot look to gain only 3.3% for the year.

The promotional atmosphere that kept discounters ahead this year will be heightened in the future as chains plan to promote sure sellers more aggressively than ever.

Fishers Big Wheel, Uncle Bill's and Rink's plan to repeat successful truckload sales on an array of hand tool, electrical and plumbing basics, which were tried for the first time this spring.

The Reason Why

The key reason the events worked so well, the chains say, is that distributors offered a guaranteed sales arrangement. The chains didn't have to worry about storing leftovers, which especially enticed Fishers, which has no warehousing capacity.

The truckload sales boosted hand tool volume for Fishers 12% to 15%, pushing sales 11% ahead the first six months of the year, a spokesman said.

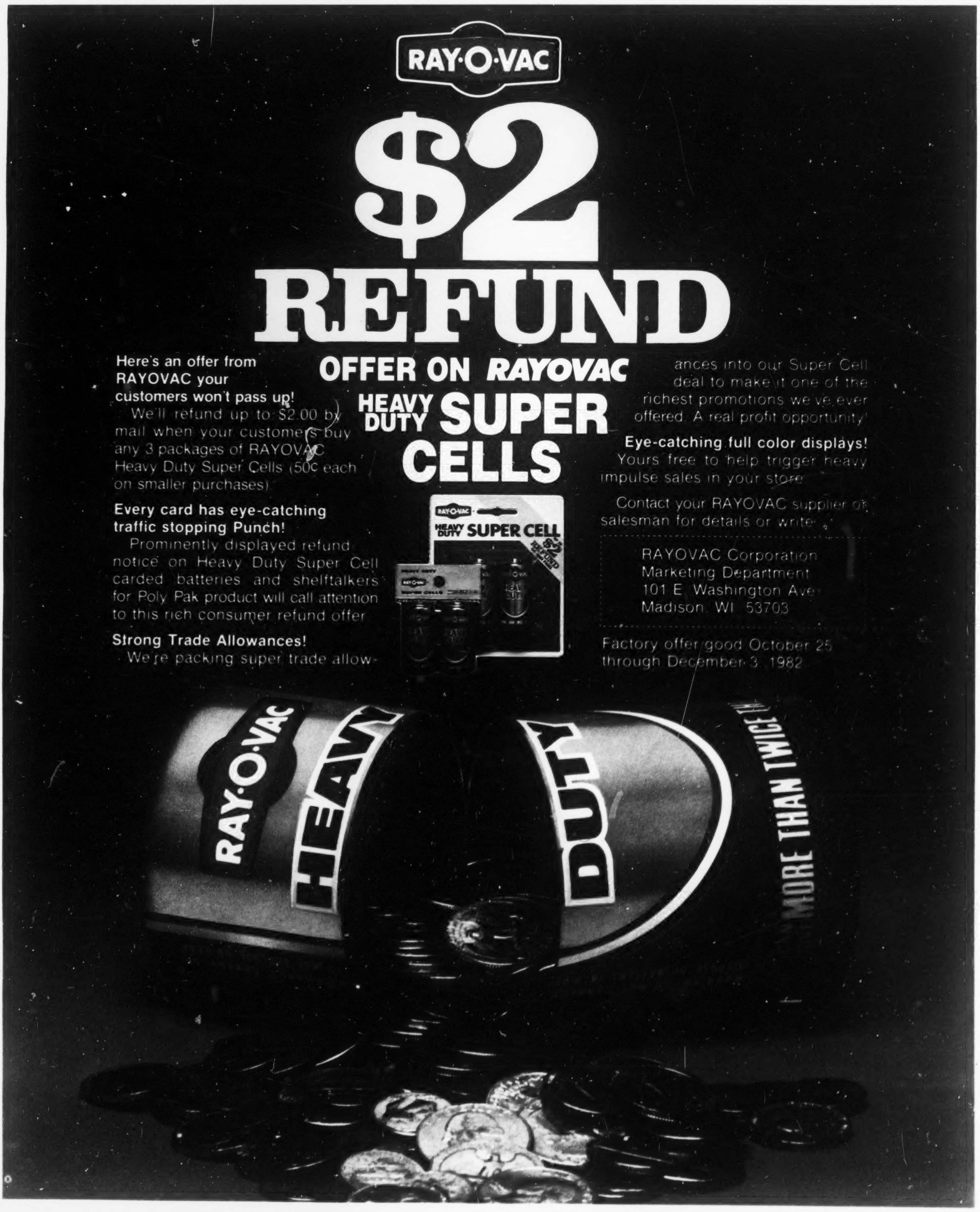
Discounters are counting on stabilized pricing as well as promotions to stimulate hand tool sales. Domestic hand tool prices haven't shown increases seen in previous years. The earlier onslaught of low-cost imports has American manufacturers holding their prices down, buyers believe.

This year most chains, including Zayre, Pamida and Van Leunen's, put a lid on their import programs.

Buyers report the most popular price range in the category has bounced back up to $5-$10 as consumers shop for quality, not necessarily the lowest price.

Chains like Cincinnati-based Van Leunen's have cut back

(Continued on page 77)



RAY·O·VAC

$2 REFUND

OFFER ON RAYOVAC HEAVY DUTY SUPER CELLS

Here's an offer from RAYOVAC your customers won't pass up!

We'll refund up to $2.00 by mail when your customers buy any 3 packages of RAYOVAC Heavy Duty Super Cells (50¢ each on smaller purchases).

Every card has eye-catching traffic stopping Punch!

Prominently displayed refund notice on Heavy Duty Super Cell carded batteries and shelftalkers for Poly Pak product will call attention to this rich consumer refund offer.

Strong Trade Allowances!

We're packing super trade allowances into our Super Cell deal to make it one of the richest promotions we've ever offered. A real profit opportunity!

Eye-catching full color displays!

Yours free to help trigger heavy impulse sales in your store.

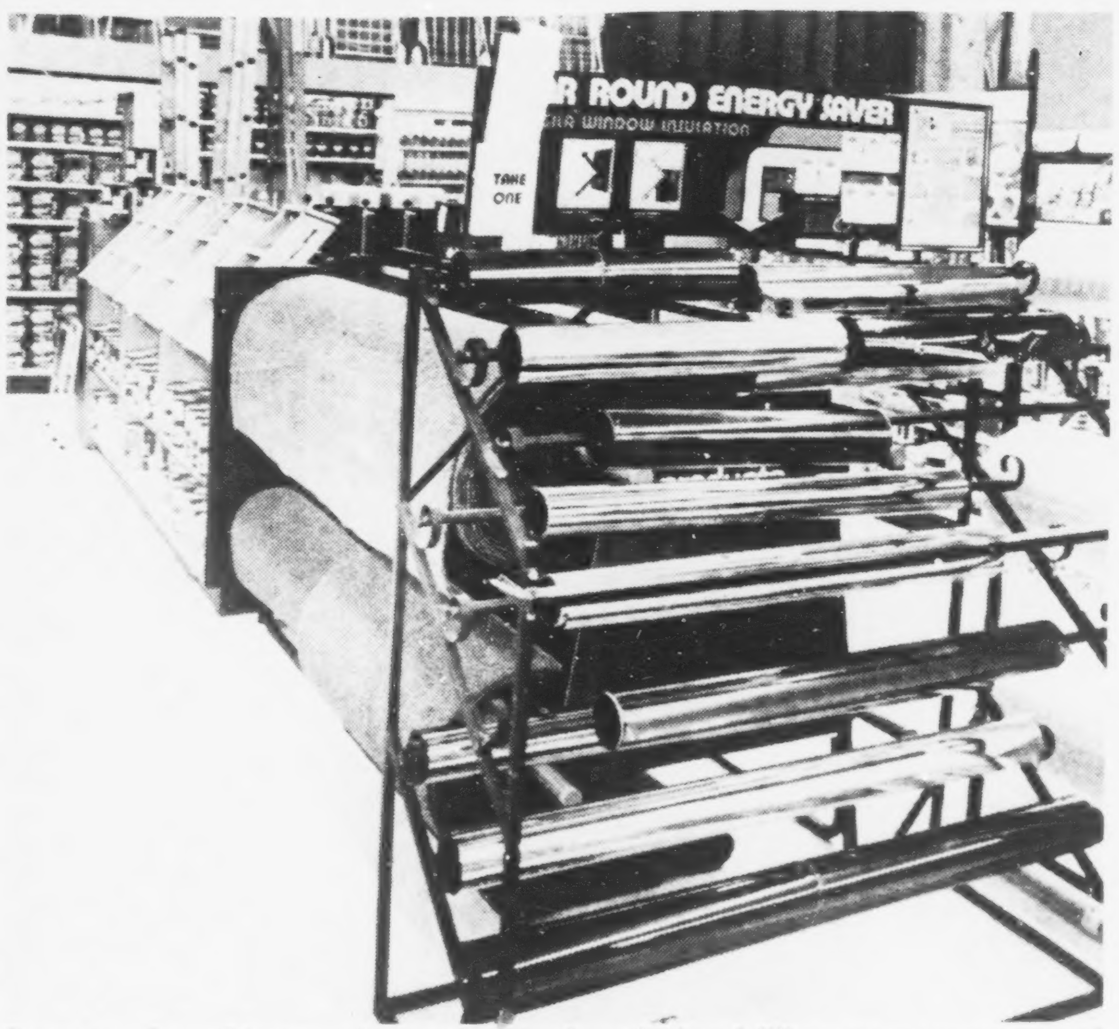
Contact your RAYOVAC supplier or salesman for details or write:

RAYOVAC Corporation
Marketing Department
101 E. Washington Ave.
Madison, WI 53703

Factory offer good October 25 through December 3, 1982

Discount Store Census '82/'83

Ceiling Fans, Kerosene Heaters Advance



Gemco, San Diego, gives window insulation billing as a year-round energy saver on an endcap. Hardware buyers say energy-related products will have continued strong growth in 1983. (DSN photo)

Hills, Niagara Falls, N.Y., gives energy-saving products extended space in lawn and garden in the fall. Educational POS materials head the gondola run. (DSN photo)

(Continued from page 74)

their hand tool assortment to focus on midrange prices.

Electrical supplies is another area where many chains are scaling down their mixes. Most stock a limited assortment of switchplates, base plugs, fuses and breaker boxes as an accommodation to the occasional DIYer.

Roses cut bulk cords and receptacles from its mix and even trimmed the fuse assortment. The chain said sales rose 15% in 1981.

Glosser Brothers was the exception. Its 4-ft. section of electrical supplies was expanded to 8 ft. to offer a wider selection of timers, receptacles and bulk extension cords.

Chains also report sticking to basics in the plumbing category where the largest sales are reported in water-saving nozzles for sinks and showers.

Assortments are being expanded in ceiling fans, kerosene heaters and steel shelving, where most chains have eagerly stepped up promotions.

Although ceiling fan sales have leveled off after surging 70% in the entire marketplace from 1980 to 1981, discounters report 20% gains this year. Sales are expected to gain further as consumers discover that the fans save energy in cold months by circulating heat.

Clover, Wal-Mart and Heck's were among chains increasing advertising, sku count and instore display to tap strong ceiling fan sales.

(Continued on page 78)

Save $20 on a Toro electric chain saw!
39.99
TORO® 14" ELECTRIC CHAIN SAW
4.99 to 24.99
HANDY WOOD SPLITTING TOOLS
REBATE!
11.99
-3.00
8.99

To stimulate slow wood-cutting sales, many chains plan to promote the category more often this year. Gold Circle started in August, offering $20 off a Toro chain saw and up to $10 off on axes and mauls.

THE SPECTACULAR RISE AND DISASTROUS FALL OF THE GREAT KORVETTES CHAIN

More than they Bargained for
THE RISE AND FALL OF KORVETTES
Isadore Barmash

"Mr. Barmash . . . offers the reader a short course in store management and marketing techniques."
—*Robert Sobel,* The New York Times

". . . recapture(s) the history of Korvettes . . . at one time the magic household word of the retail industry."
—*Carl Bennett, President, Caldor*

". . . would-be entrepreneurs may learn to avoid the pitfalls that caused the demise . . ."
—Library Journal

". . . most exciting for those in retailing today. It was fun; it was hard work; it was exciting . . ."
—Stores *magazine, Joan Bergmann, editorial*

MORE THAN THEY BARGAINED FOR
The Rise and Fall of Korvettes
by Isadore Barmash

On Christmas Eve 1980, the lights went out forever in the few remaining stores of the once proud, pioneering 58-store Korvettes chain. It all began in 1948 on Manhattan's East 46th Street with a tiny second-floor luggage shop. Suddenly, almost magically, it developed into the *world's first major* discount department store: Korvettes!

This was the store that took seed in the post-World War II boom—the store that grew into an American institution—only to plunge into ignominious and inexplicable bankruptcy thirty-two years later!

What happened?

Lots of answers have been given. But here for the first time are the behind-the-scenes *facts*—a gripping story of conglomerates, mergers, big capital, and foreign takeovers.

Here is a memorable lesson in retailing, a primer on management (and mismanagement!), a brilliant guidebook on how to succeed in American business, and a startling insight into the very mechanisms of American enterprise itself.

And it is the story of *people*—hoping, battling, gambling, raging, cajoling, maneuvering, winning, losing, and ultimately plummeting from the heights of success. There's an interplay of characters, a gamut of emotions, and an intricacy of plot as suspenseful, rich, and absorbing as any novel.

This book is must reading for every retailer, every entrepreneur, every financier and stockbroker, and every intelligent layperson who knows that to understand the reasons for the success—and also the failure—of a giant like Korvettes is to understand American enterprise itself.

Isadore Barmash has been Assistant Financial Editor and retailing specialist for *The New York Times* for many years, and has authored countless articles and books. He has followed the course of Korvettes' fortunes over two decades, exhaustively researched his subject, and personally interviewed *every principal protagonist* of the Korvettes drama. *Code #533/$14.95*

LEBHAR-FRIEDMAN BOOKS
From the Publishers of Chain Store Age.

SEND TO:
Lebhar-Friedman Books
425 Park Avenue, New York, N.Y. 10022

DSN92082

Please send me:
_____ copy(ies) of *MORE THAN THEY BARGAINED FOR* (533) @ $14.95
Check enclosed for $_____ Charge to ☐ Master Card ☐ Visa
Acc. # ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐
Expiration Date __________
Please add $2 for postage and handling per order.
N.Y. & Calif. residents add sales tax.

Authorized Signature
Ship to:
Name
Title and Company
Address (home or business)
City State Zip

Discount Store Census '82/'83

Steel Shelving Sales Enlivened by Colors

Venture devotes a full gondola to a popular hardware accessory: small item organizers. The section, located in a Chicago store, includes about 10 sku's of boxes with nine to 45 drawers. *(DSN photo)*

(Continued from page 77)

At Clover, additional space was devoted to displays of fans hung from a ceiling grid. The Philadelphia-based chain also dropped the display of its low-end model to focus on higher-priced units. Light kits designed to match the fans, at prices ranging from $20 to $90, are heavily touted to draw additional profit in the category.

Clover began bimonthly ads on ceiling fans in the spring. During the summer sales received an extra shot in the arm from ads featuring the entire line in a special Sunday supplement.

Kerosene heaters also have discounters expanding sku counts.

New Moves

When sales of quartz heaters fell off sharply last year, discounters saw kerosene heaters move in quickly to fill the gap.

This year buyers have been confronted with an influx of manufacturers, which has led to some price cuts in the category. A Japanese import model fueled competition when it entered the market at a price point of $49. Panasonic entered the market from the opposite end, offering higher priced models.

Buyers like those for Heck's and Murphy's Mart say they favor higher-end additions for this fall's kerosene heater assortment, despite price restructuring.

Heck's will add one promotional model but will also pick up one higher-ticketed convection model. Murphy's Mart dropped its lowest-priced 6,000-Btu model that retailed at $157 to take on 12,000-Btu and 18,000-Btu versions.

Steel shelving is another bright spot in hardware as it becomes more colorful. Woolco, Pamida, Zayre and Fishers Big Wheel have all added colored units to their assortments with positive sales results.

Frequent promotions of lower-priced gray models, ranging from $11 to $14, pull shoppers into the stores. But, sales growth in the category, as high as 60% for some chains, is attributed to movement of colored units.

Many chains like Ames have taken on up to five colors of the shelving, although colored units aren't carried in the variety of sizes given gray models. At Ames, three or more sizes are available in gray.

notices of TRADE PROMOTIONS & ALLOWANCES

NOTICE
TO
PARKER PEN
RETAILERS

From time to time The Parker Pen Company makes available to all retailers of Parker products certain advertising and/or promotional services or allowances.

For details, please write:
The Parker Pen Company
Attn: Advertising Department
P.O. Box 5100
Janesville, Wisconsin 53547

PARKER

Glenbrook Laboratories

TRADE NOTICE

Periodically Glenbrook Laboratories offers promotional allowances and merchandising materials which are useful to all retailers stocking our products. From time to time, allowances are available for newspaper and handbill advertising, display and other consumer-oriented promotions. Details are set forth in specific promotional selling material. Proof of performance (tear sheets, copies of handbills, etc.) and proof of delivery (supplier's invoice) are required for payment of allowances. Our merchandising materials consist of newspaper mats and in-store display material, etc.

If you would like to receive specific details on available offers, send your name, address and telephone number to:

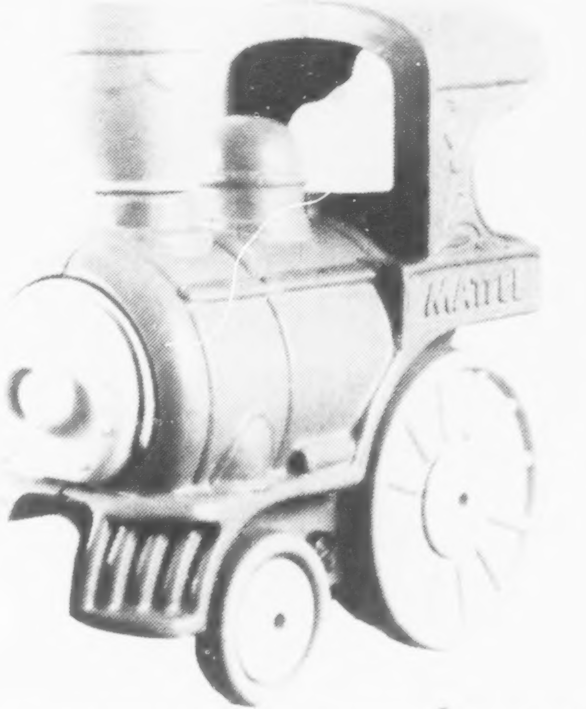
Sales Promotion Manager
Glenbrook Laboratories
90 Park Avenue
New York, N.Y. 10016

Notice to all Retailers

Periodically, The Hartz Mountain Corporation offers promotional discounts, and merchandising material for displaying, advertising and promoting its various lines of products. For details contact our Sales Administration Office at 700 South 4th Street, Harrison, N.J. 07029.

THE HARTZ MOUNTAIN CORPORATION

Your Notice Will Get noticed. In The Trade Promotions And Allowances Section!



NOTICE TO THE TRADE

Mattel Inc. markets the Rail Runner® musical train for crib rails for which it has obtained a United States patent, U.S. 4,285,159. Foreign patents are pending. Mattel intends to enforce rights available under law in the Rail Runner® product, including, where permissible, such action as could result in precluding importation into the U.S.A. of infringing copies. Please respect our rights.

MATTEL INC.

Mattel, Inc., 5150 Rosecrans Avenue, Hawthorne, California 90250 Patent Department

TRIM
TRIM
TRIM
TRIM
TRIM
nail file
TRIM
tweezers
TRIM
toenail clipper
TRIM
emery boards
10 boards
two finishes
TRIM
1-258
nail clipper
shapes • files
cleans
chrome finish

Combine the high quality of TRIM manicure implements with a superior margin and you've got the definite advantage TRIM has to offer. In addition, each of the 22 TRIM manicure implements comes in a package with strong consumer appeal, backed by comprehensive national consumer advertising.

Count on TRIM for quality, profit, merchandising and service.

The W.E. Bassett Company,
Derby, CT 06418 (203) 735-1825

TRIM

Trim® gives you quality, popular pricing and profits wrapped up in one package.

(22, to be exact)

Discount Store Census '82/'83

Discounters' Biz en Route to $4.5 Billion

Automotive

Discount Store Sales	$4.5 Billion
Sales per Store	$543,000
Department Size	2,280 Sq. Ft.
Annual Sales per Sq. Ft.	$238
Annual Turns	3.5
Initial Markup	34%
Gross Margin	27%

BOXSCORE

Grand Opening Sale
Our Everyday Low Price
$2.59
99¢

CSC, Louisville, Ky., varies the angles and heights of gondolas and flats showing automotive merchandise, enabling shoppers to see the broad array of bulked items. *(DSN photo)*

Automotive has become the high road to sales and earnings for discounters.

The incentives for the booming customer interest in buying automotive items in discount stores can be found in 1) the recession, which has caused consumers to hold on to their autos later and spend more to fix and maintain their cars and 2) the savings of doing-it-yourself as compared to going to service stations or specialty auto repair stores.

Discount store automotive sales are projected to reach $4.5 billion, up from $4.2 billion a year earlier. Sales per store are rising to $543,000, up from $514,000. While department size remains consistent, annual sales per square foot are climbing to $238, up 5%.

The sales surge in automotive goods covers all parts of the category, from foreign car items to tire, battery and accessory (TBA) centers run by discounters.

S. E. Nichols, for example, carries 40 sku's of foreign car parts, accounting for about 20% of the department's total dollar movement, and plans to expand the assortment.

The question isn't whether to carry this merchandise, but where. A Zodys merchandiser said: "Discounters are of two schools of thought regarding foreign auto parts. Either they are featured within the domestic run because buyers aren't that confident of their import lines' consumer recognition, or they are merchandised separately."

Zodys believes in the latter approach because of the large number of imports on the road in its West Coast and South-

(Continued on page 84)

Microwave Ovens Blow Hot, Cool

CHICAGO—The Association of Home Appliance Manufacturers reported good news and bad about microwave ovens.

Manufacturers' July shipments were down 9.8% compared to the same month in 1981. However, shipments of 331,200 units were the second highest for any July period, exceeded only by last July's total of 367,100 units.

Uniflo
plus
Extra

EXXON
extra
Uniflo
extra
plus
EXXON
XD-3

We mean business.

Make way for the motor oils that move. The Exxon team of five quality motor oils has been developed to answer all of your customers' needs.

Look to us as one source that will satisfy every segment of the do-it-yourself market. Our line leads off with four fuel-saving motor oils: super-premium Uniflo® 10W-40 and premium Exxon Extra™ 10W-40 for gasoline engines; XD-3™, our heavy duty 30 grade, and Exxon Extra 10W-30 for gasoline and diesel engines. Our economy-priced single grade oil, Exxon Plus™, completes the line.

Our total program of support for wholesale distributors and qualified mass merchandisers includes free goods, generous new product and co-op advertising allowances, and highly effective modular display racks. Our strong advertising program builds consumer awareness and increases demand for Exxon products.

To get the motor oils that mean business, contact your Exxon Sales Representative or the Project Manager/Mass Merchandising, Exxon Company, U.S.A., P.O. Box 2180, Houston, Texas 77001. Phone (713) 656-5118.

EXXON

Discount Store Census '82/'83

Batteries Are Standout DIY Classification

(Continued from page 81)

Hard parts for domestic autos continue strong, discounters noted, with the focus on tuneup kits and maintenance items like filters and spark plugs. Chains are even eying more exotic items such as electronic ignitions, with a Prange-Way merchandiser asserting that "it's a category that's definitely got to come."

Batteries have become a standout DIY item despite price points for long-life models passing $65. Better point-of-sale information on DIY installation and a mix of national brands and private label goods were cited as the sparks for battery sales.

Woolco expects sales to be up 15%. "This is a natural growth market because batteries are becoming more of a self-service item," a merchandiser explained.

Times Square Stores' own TBA centers helped to make battery sales "phenomenal," a merchandiser noted. "The personalized service helps make the sale and the motorist is more aware that we have a battery to fit every car."

Consumer acceptance of higher prices for better quality auto items has spread to waxes, particularly polymer products. This demand, in turn, has resulted in an ebbing of prices and a further increase in unit movement so that polymer waxes have become a department staple.

With a strong base already established for polymers, discounters are now going with a leaner mix that features regular waxes as the low-end merchandise and polymers as the trade-up.

At Zodys, polymers account for about 40% of the total wax (dollar) sales and the percentage is expected to increase, the merchandiser said.

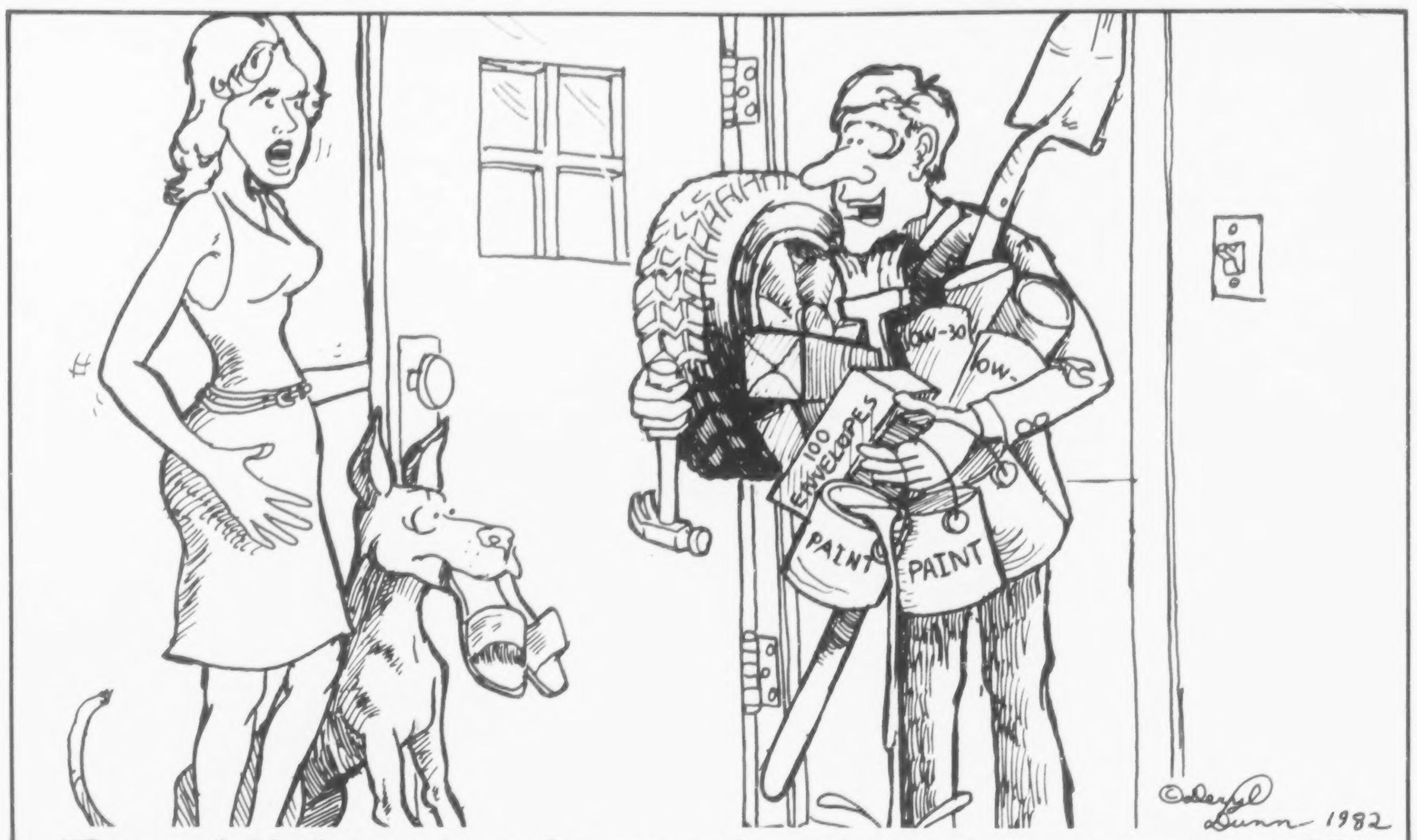
Roses has trimmed some polymer sku's from its wax mix to maintain the discounter's low- to mid-price action, a merchandiser said.

Duplicated items have been dropped at Woolco, so that only one wax type in a specific size is being offered. "We are going with a shorter assortment to produce more sales and improve our in-stock position," the merchandiser said.

The trade-up trend was evident in auto sound as discounters reported $100-and-over stereo systems selling, although under-$100 still accounts for the bulk of the business.

A Pamida merchandiser said that the breaking of the $100 sound barrier indicates that motorists, like homeowners, are spending money on older cars as they can't afford to buy new ones.

A merchandiser at Fishers Big Wheel said the discounter stocked items as high as $230. This top-of-the-line product "emphasizes the differences [and value] among the separate models," he said.



"Guess who is the new buyer for automotive, paint, hardware and stationery?"

Murphy's Mart

(Continued from page 49)

kets—completed in the first half have produced strong indications the new look is working, chain executives say.

Gauging the effects on the first Mart (one of two Korvettes takeovers) to be revamped in suburban Baltimore, Lytle revealed sales were running $117.49 per square foot compared to a similar-sized and located unit's $115.06. Gross margins in the refurbished unit were running 5% ahead of the norm; inventory investment was decreased $2.44 per square foot, and gross margin return on investment was 52% higher.

Among other changes instituted by Murphy's Mart this year, designed to deal with near-term problems:

—Moderate reductions were made in the number of items advertised, but not in number of circulars.

—Seasonal commitments for fall, winter and Christmas merchandise were reduced, to give the chain funds for last-minute purchases of hot items.

—A positive leakage control program was implemented.

—A new merchandise plan was created, designed to better control inventory and provide merchandise and guidance to stores.

New Marts to unveil in October include Reistertown, Md., Grove City, Pa., and Salem, Ind. On tap for 1983 are two Marts currently under construction in Kanawha City (suburban Charleston), W. Va., and Perry Hall (suburban Baltimore).

HARVEST BIG SAVINGS

SAVE $1.50 ON HAVOLINE IN SEPTEMBER AND OCTOBER...

TEXACO
HAVOLINE MOTOR OIL
TEXACO
FUEL SAVING FORMULA
HAVOLINE SUPREME
MOTOR OIL API-SF/CC
SAE 10W-30

Starting September 15th, you can save $1.50 on every 24/one-quart case of Havoline Supreme 10W-30 and single grade Havoline Motor Oils. In addition, we'll increase retailers' ad allowances from 36¢ to $1.00 per case.

On our popular Easy Dozen™ 12/one-quart cases, you'll save 99¢ per case, and retailers' ad allowances jump from 18¢ to 50¢ per case.

These special off-invoice allowances good on all orders shipped from September 15 through October 31, 1982. Bonus ad allowances must be used by January 31, 1983 for newspaper, radio, and TV advertising and store display allowances.

Texaco is proud to be the official gasoline and motor oil supplier for THE 1982 WORLD'S FAIR.

Discount Store Census '82/'83

Narrowed Mixes Stress Quality, Price

Paint buyers went through some blue periods this year, trying to beat last year's figures.

Most were forced to implement a wide array of changes in mix and number of sku's, to build sales and combat sluggish margins.

Sales are projected to grow by 7%, from $1.4 billion to $1.5 billion. Margins, at 37%, remain the same as the previous year. While the size of the department is unchanged at 1,270 sq. ft., annual sales per square foot are rising from $135 to $142, a 5% increase.

Sales Improve

Annual turns are falling from 2.7 to 2.1. Markup is higher, going from 42% to 44%. Sales per store are increasing a slight 5%, from $172,000 to $181,000.

Paint sales have been negatively impacted by the continued slowdown in housing starts and an inching up of price points in the category. To offset this some discounters have been heavily promoting name-brand goods, with cuts of up to 50%.

Buyers say the presence of a brand name like Glidden or Dutch Boy is necessary as a traffic draw. But for many chains the focus is being switched from a broad selection with a variety of price points to a narrow offering emphasizing quality as well as price.

Brand name manufacturers have offered retailers help in 1982 with better deals, including special programs and consumer rebates.

A Van Leunen's buyer cited monthly specials at 25% off offered by manufacturers.

"At that price you net out about 37% on margins compared to the usual 26%," he said. His chain also moved to drop its private label line and went with a mix of Glidden and one off-brand line. He said the strategies have boosted paint sales from the previous year's levels.

"People aren't buying the low-end paint unless it's for smaller jobs," he said. "Customers want the $12-$13 brand names, which they know they can get on sale for $8.99 or $9.99."

If Van Leunen's sales keep up the current pace the department, including paint sundries, may be increased from 6,000 to 7,000 sq. ft.

Payless is also shifting its emphasis from PL to brand name. The chain had stocked 100 sku's of PL only. Du Pont is now being merchandised in some Payless locations. This, coupled with heavy advertising, helped lift depressed sales, a spokesman said.

Even K mart, solely stocking a PL brand, turned attention in its ads to the fact that the Performer line is made by Dutch Boy.

Zayre, however, is a chain sinking its dollars into PL where margins are generally 15% better.

A buyer there said the category is advertised every three weeks, and due to the strong promotional campaign, last year's figures are being beaten.

Zayre's Classic Living line is made by Du Pont.

More Promotion

In addition to strong promotion, he said sales have been strong thanks to continual review of the stock. Analysis showed an excess of colors available, since close to 55% of sales are on white paints, so the selection is scheduled to be trimmed. The chain has also cut quart paints, he said.

Besides the Classic Living line Zayre also offers Du Pont, Olympic and a less expensive PL, at a regular price of $5.49 per quart, $4.49 on sale.

Zodys in its attack dropped one size of paint—gallon—last fall. In July the chain also began a program of a 24-ft. run of private label and DuPont goods.

At Fishers Big Wheel, paint sales are 10% greater than in 1981, according to merchandise manager Pat Nicholson, who attributes it to a cutback on colors and slow movers—such as a gel flow paint—and a rack assortment reduced from two to one.

Fishers carries both Glidden and PL interior and exterior paints, with margins on the PL at 45% and on the Glidden line at 35%.

Nicholson said the "streamlined" department now offers the best margins, the greatest turns and the lowest inventory investment of all the hardware categories.

Magic Mart has gone chainwide with a hardware planogram which has boosted paint sales by 15%. In-stock position has been raised to 90% from as low as 65% and limits are set on per-store orders according to store size. This system allows the chain to buy at better prices and carry inventory for shorter periods of time.

Merchandising Move

Promotions during May and June capitalized on manufacturer rebates and improved store merchandising, resulting in a 21% increase in May sales from a year ago and a 40% June increase, said a buyer.

Both PL and DuPont Lucite paint were featured on endcaps during the month of June—traditionally a strong month for paint, PL was sold at $4 and $6 per gallon and DuPont Lucite sold for $9.88 and $10.88 per gallon, with manufacturer-featured rebates of $2.50 and $3, respectively, taking the price as low as $7.38.

BOXSCORE

Paint

• Discount Store Sales	$1.5 Billion
• Sales per Store	$181,000
• Department Size	1,270 Sq. Ft.
• Annual Sales per Sq. Ft.	$142
• Annual Turns	2.1
• Initial Markup	44%
• Gross margin	37%

ON HAVOLINE THIS FALL

THEN SAVE AGAIN ON OUR NOVEMBER CASE DEAL!

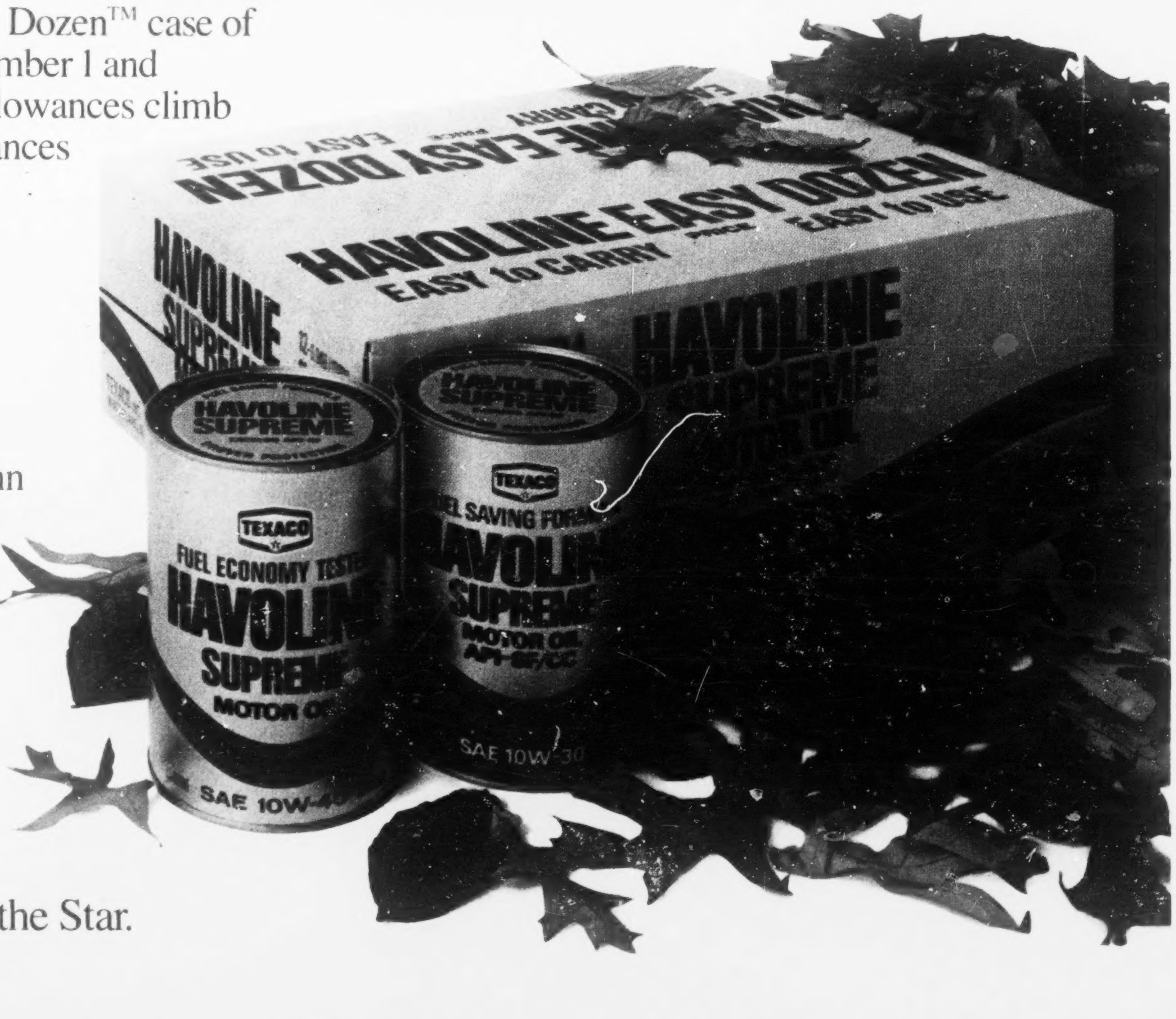
This November, save 99¢ on every Easy Dozen™ case of Havoline Supreme shipped between November 1 and November 30, 1982. Again, retailers' ad allowances climb from 18¢ to 50¢ per case. Bonus ad allowances must be used by February 28, 1983 for newspaper, radio, and TV advertising and store display allowances.

Let the Easy Dozen case boost your November sales of all Havoline Supreme motor oils to do-it-yourselfers.

For further information, contact your Havoline representative, wholesaler, or John P. Wies, Manager, Lubricants and Services, Texaco U.S.A., 1111 Rusk Avenue, Houston, Texas 77002. Telephone: (713) 650-5218.

TEXACO

Trust your car to the products with the Star.



Discount Store Census '82/'83

Thin Margins Complicate Merchandising

Fruit juices and various forms of peanuts are prominently displayed in Wal-Mart's feature aisle in Fayetteville, Ark. Discounters are keeping close tabs on the display and ad space given to consumables. *(DSN photo)*

Rising food costs have chains like Harts delving further into no-name/no-frill products. In its Huntington, W. Va., unit Harts created this section, billed "Un-Brand Bargain Island." *(DSN photo)*

Buyers are practically consumed with the choices facing them on how to handle the consumables category—an area that proves necessary as a traffic draw but where thin margins require constant attention.

Consumers spend an estimated $6 billion for food items in nonfood stores, with a large portion of it going to discounters.

But, how to merchandise the category is still a tough question.

Robert Craighead, Gee Bee vp and gmm, said, "While we haven't cut back on either the display space or advertising allocated to this area, this year we critically looked at the prime real estate we were giving to consumables and made some changes."

Layout Changed

The chain has shifted consumables from major traffic aisles to more secondary, but still highly visible, positions such as the ends of gondola runs. Various classifications within the category have been spread from a central department location to separate locations in the store. Craighead believes the payoff has been stepped-up impulse purchases in other departments.

Heck's food buyer George Russell, whose chain stocks between 32 ft. and 40 ft. of food—whose volume is up 10% to 15% from 1981—is thinking of decreasing promotion space and going with fewer items, highlighting staples. The chain—which is fairly new to regular stocking of consumables —is moving out of stocking such date-stamped items as flour and pizza mixes.

"We beat supermarkets in 99% of locations on everyday pricing," said Russell. The chain advertises items below cost or 3% to 5% above cost in every circular. Item count varies in consumable—from four to 20 products—in tabs, he said.

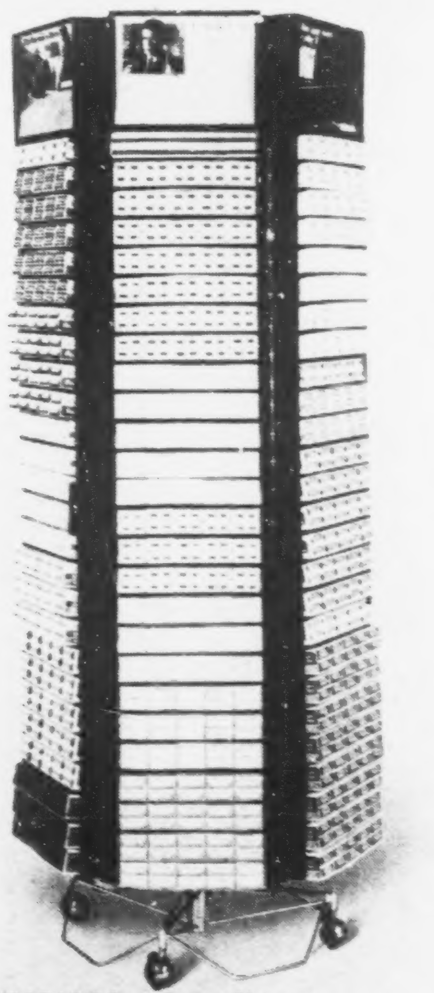
Allen Sherman, merchandise manager at Gold Circle, said, "Our philosophy in pricing is that customers establish what we can sell an item for." The chain has slightly decreased the amount of advertising it does in consumables, but when it does advertise, Gold Circle hits hardest with the No. 1 and 2 brand names.

Earn up to $24,000 profit per year per store.

With B&W's centralized package merchandisers you can pack the most selling potential into every inch of cigarette selling space. In fact, a retailer, depending on his volume and his profit margin structure, could generate package profits as much as $24,000 per store/per year, experience annual inventory turns as high as 45.8, and an ROII of as much as $16.01 with the placement of only two of our compact 1560 package merchandisers.

The problem with conventional cigarette display fixtures.
In 1972 you only needed 69 brands to satisfy 98.5% of your customer demand. Today you need 135 brands. Conventional belt-line package fixtures are simply inadequate — in capacity and flexibility — to meet this dynamic demand for cigarette package sales in supermarkets.

What's more, independent, reputable studies show eight out of ten customers will shop elsewhere if you don't carry the brands they prefer! And, 20% of those customers will stop shopping with you altogether!



B&W 1560 Merchandiser
- Highly visible display of 1,560 packs
- Large capacity in 3.79 sq. ft. of floor space
- Quick carton loading
- On wheels for easy restocking

B&W 2080 Gondola End Merchandiser
- Highly visible display of 2,080 packs
- Eliminates front-end clutter
- Provides maximum brand mix
- Quick carton loading
- Cuts labor costs — improves front-end efficiency
- Reduces inventory investment

The B&W solution.
B&W's flexible package merchandisers can give you more sales and greater profits in less space by . . .
- Holding a full line of brand styles to optimize sales
- Reducing stock outs and improving customer satisfaction
- Eliminating multiple inventories
- Lowering labor costs through easy carton loading
- Maximizing product visibility

So, if you're still relying on conventional cigarette package display fixtures, ask your B&W Representative to evaluate your profit potential and show you how to pack more profits into your cigarette selling space.

Our business is helping yours.
BROWN & WILLIAMSON TOBACCO CORPORATION

© 1982 B&W T Co

Discount Store Census '82/'83

Revival of Sales and Profits Is Signaled

BOXSCORE

Photo/Camera

Discount Store Sales	$2.9 Billion
Sales per Store	$350,000
Department Size	675 Sq. Ft.
Annual Sales per Sq. Ft.	$518
Annual Turns	3.2
Initial Markup	23%
Gross Margin	17%

It may not have been a picture-perfect year, but photo/camera departments in 1982 saw some flashy new products, film formats and price restructuring that are signaling a revival of department sales and profits.

Perhaps the single-biggest factor contributing to the department's momentum was the introduction of Kodak's Disc camera and film.

Billed by the manufacturer as "decision free," the Disc (with its automatic built in flash, advance, rewind and technological wonder of disc-shaped film) went on the market in May and is proceeding to develop a whole new tier in cameras.

Photo/camera sales are projected at $2.9 billion, up from $2.7 billion a year earlier. Sales per store are increasing to $350,000 from $331,000, as sales per square foot rise to $518 from $494. Turns are slowing to 3.2 from 3.4; initial markup is falling a percentage point to 23% and gross margins are off from 19% to 17%.

The Disc camera, marketed at three levels of sophistication—models numbers 4000, 6000 and 8000 with suggested retails from $67 to $142—produced the first major quake in the industry since pockets were introduced in 1972.

Present Situation

The camera was viewed immediately as the death knell for pockets, which were suffering sluggish sales (the industry's 1981 Wolfman Report estimated 110 pocket sales fell from eight million to seven million units last year). But with the disc's promotional price points of $45 to $110, buyers believe, at least for the time being, there is room in the market for both the Disc and pockets.

Low-end pockets, from $19 to $25, have generally been discounters' best sellers. Buyers announced intentions of meeting the Disc's arrival by keeping pockets within those popular price points, and trimming sku's. (That Kodak abandoned all but two pocket lines, and competing manufacturers dropped prices up to 30% helped in the restructuring.)

Chains like Jamesway trimmed pocket sku's from six to four, ending at a $32 high-end price point. Other chains like Roses went a little further, believing only under-$25 cameras would hold up under disc pressure.

All were not doomsayers: Wal-Mart's camera buyer viewed the restructuring as beneficial to other manufacturers. "They've given other manufacturers the opportunity to gain market share in low-ends," he said.

Meanwhile, Kodak's competitors such as Continental (also a pocket manufacturer) have begun or will be launching knockoffs to widen the new camera tier by 1983.

Continental is touting a line of two "Disco" cameras: Disc-O-Matic at $59 and Disc-O-Flash at $44.50, both using Kodacolor HR-15-exposure disc film.

Optimistic Feeling

More important than the 20% sales boost in cameras discounters anticipate from the disc is the contribution disc film sales could make to departments this year. Viewed as a camera that "eats" film, because of its automatic film advance feature, most chains look for hefty film sales gains.

Should another new market entry take off, 35mm film sales could be buoyed somewhat too. Nimslo debuted a 3-Dimensional camera (in the Florida market this year) that uses four film frames per picture.

Chain buyers in the second half also saw 35mm price restructuring that has boosted optimism about growth in that portion of their departments.

As consumers are enticed to trade up, so too have discounters in launching broader Rangefinder and SLR programs, with more accessories from lenses to gadgets.

Gray market problems for manufacturers and new competitive stances for market share led up to 15% price reductions among Minolta, Pentax, Nikon and Canon on some 35mm lines this spring, which delighted discounters seeking more sales.

Related Move

Margin hunger in the department has also led to increased activity in private label film programs. Heck's and Nichols went after private label programs to sweeten markup by 20% or better, expecting first-half price hikes by Kodak and Polaroid to fuel their success.

In instants, a category where margins have become bare bone, discounters report they have trimmed unit count.

In 1981, sales of instants dropped by 200,000 units to 5.5 million, according to the Wolfman Report. Despite Kodak's entry of four new units and Polaroid's offering of the new Amigo camera which uses Sun film, buyers and market analysts looked for further erosion in sales this year.

Midyear promotions were stepped up by instant manufacturers to combat the decline, including a trade-in offer by Polaroid.

Chain's like Meijer's Thrifty Acres and Gemco/Memco tried the promotion which gave consumers $5 to $10 off on a new Sun camera with the trade-in of any old camera.

STATESMAN 7 x 35
J.M.M.
HUNTER
SUPER FAN
BOBBY JONES
GIRL WATCHER
Jason

Listen! Jason binocular straps are talking business!

Look for increased traffic and sales. Customers save $6 on TalkingStraps® when they buy Jason binoculars.

TalkingStraps® are a $9⁹⁵ value and your customers can save $6⁰⁰ with proof of purchase of Jason binoculars from your store. They're comfortable, colorful and fun! TalkingStraps® are made of durable, non-stretch ¾" webbing with customer personalization woven right in. Listen. This promotion speaks your customer's language!

Jason

Jason supports your sales effort with magazine ads, counter pads, on-pack offers and inserts.

Free gift for sports optics buyers:

We want to give you a TalkingStrap® free! So you can preview its quality for your customers. Just send your business card and write on the back your name, initials, or other personalization (20 letter max.) that you would like woven into your free strap. Offer limited to one sports optics buyer per account.

SAVE $6
TRAVELMATE
BOYS' LIFE
People
jason

Jason/Empire, Inc., Dept. Z, 9200 Cody, Box 14930, Overland Park, KS 66214

Trend in Shampoos Is to Larger Sizes

Health & Beauty Aids

BOXSCORE

Discount Store Sales	$4.6 Billion
Sales per Store	$555,000
Department Size	2,275 Sq. Ft.
Annual Sales per Sq. Ft.	$243
Annual Turns	4.2
Initial Markup	25%
Gross Margin	22%

Discounters report better sales of larger sizes in shampoos over the past year. Many chains are shifting the top shelf item to 24-oz. sizes. Scene is Murphy's Mart, Dunbar, W. Va. *(DSN photo)*

Discounters are projected to gain over 12% in sales of health and beauty aids this year.

Chains are squeezing an extra 8.4% out of sales per square foot, by pushing turns up slightly and slicing initial markup by three percentage points, although overall margins for the category are expected to decrease only by one percentage point.

Sales increases in this category have been no small achievement, as this year marked some new trends in the H&BA market.

Volume on many of last year's runaway sellers such as liquid soaps, diet aids and even hydrocortisone creams leveled off this year—forcing discounters to quickly scale down assortments and search out the new growth areas for promotional aisle displays.

Discounters are enjoying, however, sales gains in larger sizes of shampoos, hair sprays and vitamins. For promotions many chains count on basics like toothpaste, bar soaps, deodorants and mouthwash.

Shifting Emphasis

Market saturation was the culprit for the decline in sales of both hydrocortisone creams and liquid soaps. New entries on the liquid soap front such as Shower Mate and Rejoice failed for most buyers, who say they have streamlined the permanent assortment in favor of in-and-out deals.

In hydrocortisone creams, discounters have opted for a limited assortment with future possibilities of higher-margin, private label versions for next year.

ShopKo's buyer Dennis Rubel scaled down his hydrocortisone mix to five from nine at the start of '82. During the year he dropped yet another item. The Wisconsin-based chain's private label hydrocortisone—with margins 28% higher than brand name versions—is the top seller.

Magic Mart buyer Tommy Pate plans to take on a private label hydrocortisone by next year. He expects the higher margins to help offset the category's slowing sales growth. Pate reported that sales growth of 35% in 1980 fell to 10% over 1981. The Arkansas-based

(Continued on page 92)

NCR announces the Terminal of the Future

Now, NCR offers an intelligent, all-purpose terminal that fits every retail environment. A terminal that gives you control over both cash and information.

It's the NCR 2950 for department stores. The NCR 2950 for specialty stores. The 2950 for mass merchandisers. For catalog showrooms. The 2950 for *you.*

The 2950 is completely programmable in easy-to-use BASIC. That, plus the 25-line CRT and your choice of communications protocol capabilities and configurations, gives you the flexibility you know you need today.

And that flexibility makes the 2950 perfect for a host of uses, from layaway desk to bridal registry to POS to the service desk and more. It's also easily adaptable to both U.S. and international requirements.

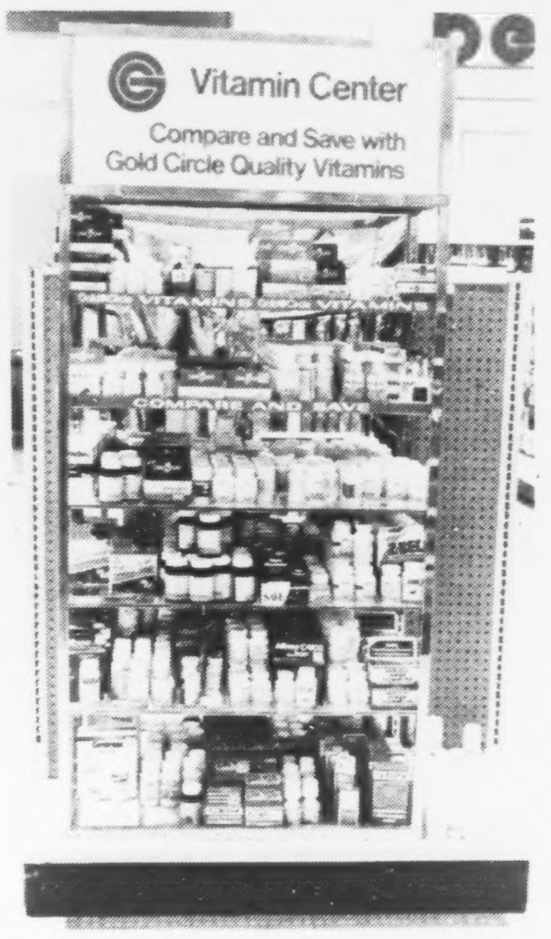
Find out more about the terminal of the future that's available now from NCR. Write for a free brochure to Terminal of the Future, NCR Corporation, Box 606, Dayton, OH 45401.

NCR
Complete Computer Systems

Discount Store Census '82/'83

Natural Formulas Hypo Vitamin Growth

At K mart, low pricing on basics is emphasized in the H&BA department. This Somerville, N.J., store features a double run of promotables with private label positioned next to higher priced national brands.



Vitamins is one category where sales are stronger than ever. Most chains are tapping that growth with special sections like this Vitamin Center endcap in Gold Circle, Springdale, Ohio.

(DSN photo)

(Continued from page 90)

chain went into this year with only two sku's.

Heck's and Payless also cut back on the hydrocortisone mix this year with each chain trimming two sku's. Heck's buyer John Beacon will decide at the end of the year if private label hydrocortisone will be included in the 1983 mix to replace one of the brands dropped this year.

Discounters expected the leveling off of diet aid sales, and kept assortments tight going into 1982. Michael Shoor, buyer for New York-based S. E. Nichols, predicted a 15% decline in the 1981 growth rate—which was 25% at his chain.

Shoor didn't have to look far to find a category ripe for a spurt in sales this year. He reported sales in the vitamin category—positioned right next to diet aids—ahead of last year's by more than 20%.

Nichols, Danners and Prange Way all launched expanded vitamin displays for the back-to-school season—each focusing on the hot-selling natural formulations.

At Nichols, space for the category was doubled to 8 ft., and vitamins from Rexall's Naturalist line is being tested in 19 of the chain's 43 stores. Shoor is playing up the category by pulling it out toward the main aisle and setting it apart as a "section." Naturals are in the limelight and include vitamins C and E and supplements such as lecithin.

More Emphasis

Indianapolis-based Danners tripled the size of its vitamin sections, said buyer Jim Miller. Sales at his chain, which originally stocked only one 4-ft. shelf, are running 18% higher than last year. At least six sku's of natural formulations joined the mix for fall including vitamins C and B complex.

Prange Way's fall mix will include 10 additional sku's of natural vitamins, according to buyer Ralph Klausen. At Gold Circle, merchandise manager David Covitz had no plans to add to the 48 sku's of natural vitamins his chain carries. Covitz reported 1982 sales 12% ahead of last year at the Ohio-based chain and predicted a growth of 15% during 1983.

Other categories slated for sales growth by the end of this year include sleep aids. New formulations hitting the market this year have chains like Roses, based in Henderson, N.C., picking up the category after dropping it in 1979 when the F.D.A. ordered the drugs reformulated.

Cook United, Fedco, Magic Mart and Glosser expect increased movement in sleepaids once new forms of Sominex and Nytol are on the shelves this month.

In hair care, sales of hair sprays and hair accessories are also gaining this year. Aerosols took the lead in sprays and ribbon barrettes lead on the accessory front. Hair spray sales at Zodys, based in Los Angeles, are running 14% ahead.

Although shampoos are traditionally the top volume generator in the H&BA category, figures from Boston Distributors, Maple Heights, Ohio, reveal that last year deodorants outsold shampoos at the chains serviced by the company. Right Guard spray is still the top seller, but solids and sticks threaten to dominate the category as soon as mid-1983.

J.B. WILLIAMS INTRODUCES

VITAMINS '82

POPEYE™ for children

Chewable Multi-Vitamins with Iron & Minerals. It's much more complete than any leading children's brand.

© King Features Syndicate 1982

Vitabank® for adults

Nutritionally balanced with every vitamin and mineral in the U.S. RDA and more. No sugar. No preservatives.

(off face of invoice) on VITABANK & POPEYE!

SPECIAL DISPLAY PLACEMENT ALLOWANCES!
OPEN STOCK ALLOWANCES!
GENEROUS CO-OP ADVERTISING ALLOWANCES!

NATIONAL ADVERTISING BREAKS OCTOBER 15th.

NEW VITABANK AND POPEYE... ARE AVAILABLE NOW! SEE YOUR J.B. WILLIAMS REPRESENTATIVE FOR DETAILS.
NEW!
POPEYE
POPEYE'S GOT THE LEADERS BEAT 'CAUSE POPEYE'S REALLY MORE COMPLETE!
NO ARTIFICIAL SWEETENERS NO PRESERVATIVES
CHEWABLE MULTIVITAMINS IRON AND MINERALS
NEW Vitabank
22 essential vitamins & minerals found in all 4 food groups
FREE! BONUS TABLET OFFER
compare this formula
Vitabank
The complete vitamin & mineral brand.

Chains Bank on More Gold, Silver Items

BOXSCORE

Jewelry

Discount Store Sales	$1.1 Billion
Sales per Store	$132,000
Department Size	550 Sq. Ft.
Annual Sales per Sq. Ft.	$240
Annual Turns	2.5
Initial Markup	48%
Gross Margin	42%

Roses added the sparkle of 14-karat gold to its jewelry department this year. The section in this Oxford, N.C., unit also features an expanded selection of Seiko watches. *(DSN photo)*

Discounters are counting on sterling silver and 14-karat gold items to register sales gains of 10% in jewelry this year.

With turns down to 2.5 from 3 a year earlier, most chains moved into or expanded higher-ticket, high-quality jewelry to help push margins up. For the year, margins are expected to be increased two percentage points to 42% to boost volume to $1.1 billion in the category.

"Sales were so flat in costume jewelry chains had to get into higher prices," said Roses buyer Tom Kirby.

"We are picking 14-karat gold and sterling silver to stir interest in the category for Christmas and moving into a stronger program with Seiko watches to complete the tradeup.

"Prices on gold and silver are low enough these days to permit you to often sell them almost as cheaply as costume jewelry," he explained.

Hoping to cash in the lucrative business, Pennsylvania-based Fishers Big Wheel took over its jewelry section this year. The department had previously been leased.

Items Added

The 600-sq.-ft. sections will remain the same size, but additional sku's of 14-karat gold items are being added to broaden the mix.

Gold Circle and most other chains have been emphasizing gold and gold-filled jewelry and watches in circulars throughout this year.

A recent Gold Circle circular featured Pac-Man gold-filled pendants and earrings for $8 each; all-gold chains, priced 50% off, ranging from $14.99 to $199.99, and liquid crystal display watches, $9.

Venture, running a 50%-off sale on 14-karat gold jewelry late in the summer, priced items from $9.99 to $99.99.

Besides adding higher-ticket jewelry, Roses, like many chains, reorganized its department's configuration.

At the start of last year, radios, small leather accessories, jewelry, watches and small gadgets were all sold from one serviced section. But the North Carolina-based chain started late last year to limit the department to jewelry and watches only.

Although footage for the department hasn't been increased on a chainwide basis, additional showcases are being put in new and remodeled stores this year.

PUT "FASHION" BACK INTO YOUR FASHION JEWELRY PROGRAM!

Fashion Jewelry Boutique

A jewelry program is supposed to add color and excitement to your stores. If you are currently offering dull, slow-moving merchandise on out-dated fixtures — Call for Accessories Associates' full service program!

Accessories Associates, Inc. has a dynamic program of unique fashion merchandise, popular licensed goods, and the "quick turning" items that you need. Call Jack Flynn — V.P. of Operations (800) 556-7694 for additional details.

ACCESSORIES ASSOCIATES INC.
"THE ALTERNATIVE"

CORPORATE HEADQUARTERS & FACTORY: 11 Maple Street / North Providence, R.I. 02911
New York Showroom: 390 Fifth Avenue / Suite 507 / New York, New York 10018

Discount Store Census '82/'83

Some Chains Win Out, Others Surrender

Fabrics & Sewing

BOXSCORE

Discount Store Sales	$1.1 Billion
Sales per Store	$132,000
Department Size	1,350 Sq. Ft.
Annual Sales per Sq. Ft.	$98
Annual Turns	2.2
Initial Markup	45%
Gross Margin	39%

REMNANTS OF BETTER FABRICS
5 88
FASHION FABRICS
2 44
See & Sew
FASHION FABRICS
2 97

Wal-Mart is one chain feasting on strong fabric sales. In this Fayetteville, Ark., store, the chain's commitment to the category is evidenced by the broad selection of fabrics and patterns. *(DSN photo)*

This year's story in fabric and notion sections: feast or famine.

Wal-Mart, Zayre, T.G. & Y. and ALCO have kept their sections on a par with last year as far as inventory and footage are concerned, but have gone to more aggressive merchandising and advertising programs. Zayre and ALCO report double-digit sales gains this year, as a result of new approaches.

Some chains, like Roses and Pamida, however, followed the same course K mart took last year and dropped the category completely in favor of expanded crafts and domestics.

Chains opting to get out of the fabric category felt the investment for inventory, plus a staff person to cut fabrics, outweighed the sales potential.

Overall, discounters' fabrics sections are projected to attain average sales increases of 8%-plus for 1982, although footage is being trimmed by 3.7%. With initial markup three percentage points higher than last year and gross margin up four percentage points, chains are achieving sales per square foot 11.5% better than in 1981.

Promotions a Major Factor

At Zayre, fabric sales are running 17% ahead of last year, attributed to aggressive promotion. Fabrics are promoted every week in a chain circular, with prices kept in the $1.99 to $5.99 range.

The Framingham, Mass., chain currently gives 11,050 sq. ft. to its departments.

"To do a good job in the category you have to commit yourself," said ALCO buyer Jan Nutter. Sales at her chain are 12% to 15% higher than last year.

"You can't be in it half-way. You have to commit the space, the attention and the advertising," she asserted.

Fabric and notion departments in the Abilene, Kan.-based chain consist of six 4-ft. x 4-ft. tables of bolt and 12 tables of flat-fold fabrics.

This is the first year the chain's sections were completely planogrammed, Nutter said. She reports margins in the 45% area on fabrics before markdowns.

Sales at the chain's Kansas, Iowa and Nebraska stores were also boosted because top competitor K mart stores no longer carry the category.

ORIGINAL! PROVEN WINNER!

INSTANT Egg Art®

NOW HAS DISNEY AND SO MUCH MORE FOR EASTER 83!

WE'VE BEEN THE HOTTEST SELLING EASTER ITEM ANYWHERE!

- Extensive T.V. and Print Advertising
- Now, three different design packages
- High impact packaging
- Made in U.S.A.
- Excellent Gross Profit
- Very effective floor and counter displays
- High return on floor space
- Free window streamer!

Also find out more about the Bunny Hutch The Easter Basket Fun House.™

So don't miss out, call the Sun Hill Hotline, collect (203) 324-7550 ask for John Delaney.

Sun Hill

Sun Hill Industries, Inc. 48 Union Street, Stamford, CT 06906

© Walt Disney Productions

© 1982 Sun Hill Industries, Inc.

Park Center
Redevelopment
and
Remodeling

Now Leasing!

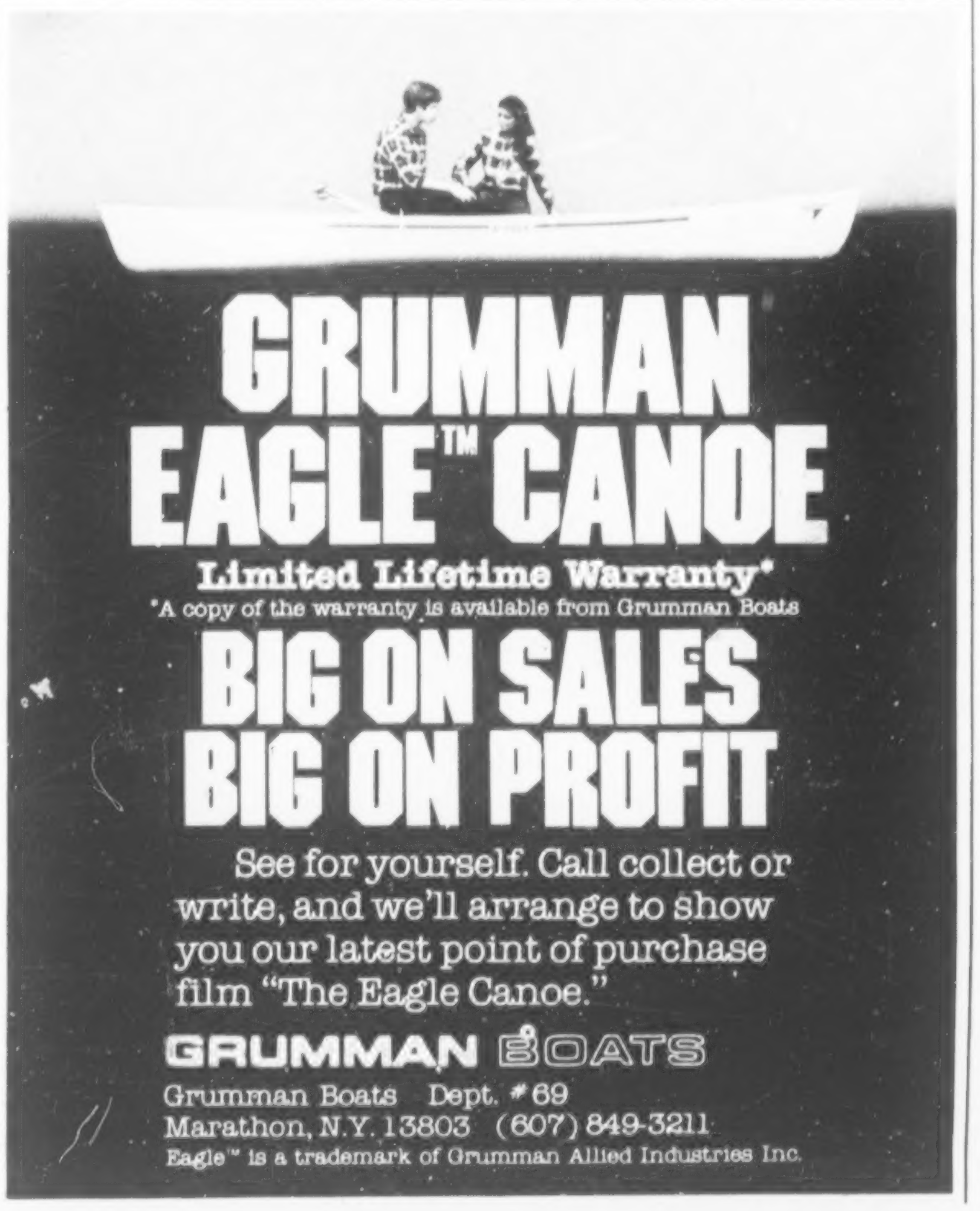
✓ Parkersburg, W. Va.

✓ 194,000 sq. ft. currently available for leasing

✓ Additional acreage available for new development

✓ Median income higher than state average

Leasing or building information
Contact: Brad Glazer
Glazer Enterprises
P.O. Box 37249
320 Swifton Center
Cincinnati, Ohio
45222
Call (513) 351-3252


GRUMMAN EAGLE™ CANOE

Limited Lifetime Warranty*

*A copy of the warranty is available from Grumman Boats

BIG ON SALES BIG ON PROFIT

See for yourself. Call collect or write, and we'll arrange to show you our latest point of purchase film "The Eagle Canoe."

GRUMMAN BOATS

Grumman Boats Dept. #69
Marathon, N.Y. 13803 (607) 849-3211

Eagle™ is a trademark of Grumman Allied Industries Inc.

Discount Store Census '82/'83

Specialty Books Tested to Boost Volume

Discounters are moving fast to implement some special solutions designed to boost volume for the slow-moving books category.

Prices on most paperbacks have edged well past the $3 mark, which has all but put a stop to multiple purchases and taken a chunk out of total sales.

Although chains still focus on romance novels—because, as one buyer explained, "consumers can buy two books for only $5"—to combat sluggish sales some chains are testing college and professional preparatory books in some stores.

The chains report that by working with distributors they can cherry-pick textbooks according to store demographics and run guaranteed sales programs.

K mart is working through two distributors to add specialty books to sections in stores that accommodate larger 1,600-sq.-ft. sections. The specialty books are carried in the reference section of the chain's Book Corner departments.

Assets of such publications as College Board test reviews, High School Equivalency test reviews and Federal Government Air Controllers test reviews are margins as high as 40%.

A Closer Look

Fastest-moving price points for the test preps are in the $4.95 to $9.95 range, although retails do go as high as $19.95. One distributor said demand for the books is so great they will sell even if not discounted.

Chains are finding civil service test guides move in all markets, but college preparatory books are geared to high-income, white-collar areas.

"Demographics is the key to the business," explained Zayre divisional merchandise manager Ed Beevers. This year not all of the Massachusetts-based chain's stores will have a book department, but others will carry a limited assortment and some offer a full selection.

Beevers is planning to wrap up this year with sales 15% to 20% higher than last year. He is pegging do-it-yourself, reference and health-oriented hardcovers as strong sales generators.

Some 50 Zayre units are testing expanded departments with more hardcover books. Romance novels, Beevers pointed out, will continue to be the backbone of the chain's book business.

Gold Circle increased its selection of romance novels to half a gondola in the Cleveland, Ohio, store. Magazines get a permanent home in the section, in addition to space on checkout racks. *(DSN photo)*

Heck's buyer Larry Lacey concludes, however, the bulk of romance movement is in lower-priced numbers.

Zayre discounts paperbacks about 20% and hardcovers about 25%, as do many chains. However, this year Zayre's schedule calls for monthly promotions stepped up even more during the back-to-school season.

To meet this year's goal of a 20% increase in book sales, T.G. & Y. buyer Larry Lide is running with 10% off on his book selection. Lide also looks for quantity buys of overruns to sell at special discounts of 40% to 50%.

At Gold Circle, the paperback selection has become 25% to 33% romance this year, according to buyer Jerry Broering. Romance novels previously counted for 12%-18% of the assortment.

The Ohio-based chain is following a plan for up to six book promotions per year. The first major ad debuted in January of this year.

AS ADVERTISED
2 for $3.00
SPECIAL
144

Wal-Mart uses a typical method to boost sales of books in its Fayetteville, Ark., store. A main-aisle display table is devoted to a special promotion of hardcover selections. *(DSN photo)*

JACK NICKLAUS GIVES YOU A WINNING GRIP ON PROFITS.

We're turning up the advertising and promotional volume to assure that Extend-A-Phone* stays No. 1 in the U.S. and the world and that you enjoy even better profits for '82 and beyond.

How will we do it?

First, with a super TV advertising campaign featuring Jack Nicklaus demonstrating the convenience, versatility and sheer value of the Extend-A-Phone.

Next, a high-volume magazine advertising campaign—again featuring Jack Nicklaus in top-of-the-line business-producing magazines like Newsweek, Time, Playboy, Sports Illustrated, Money, Omni, Golf Digest and Travel & Leisure.

Finally, with the most complete line in the business: a total of eight different models, with suggested retail prices that begin at a low $130.00.

Call your Uniden rep and be sure you're fully stocked for the business heading your way. There's money to be made!

uniden
CORPORATION OF AMERICA
Telecommunications Division
15161 Triton Lane
Huntington Beach, CA 92649
6345 Castleway Court
Indianapolis, IN 46250

©1982 Uniden Corporation of America

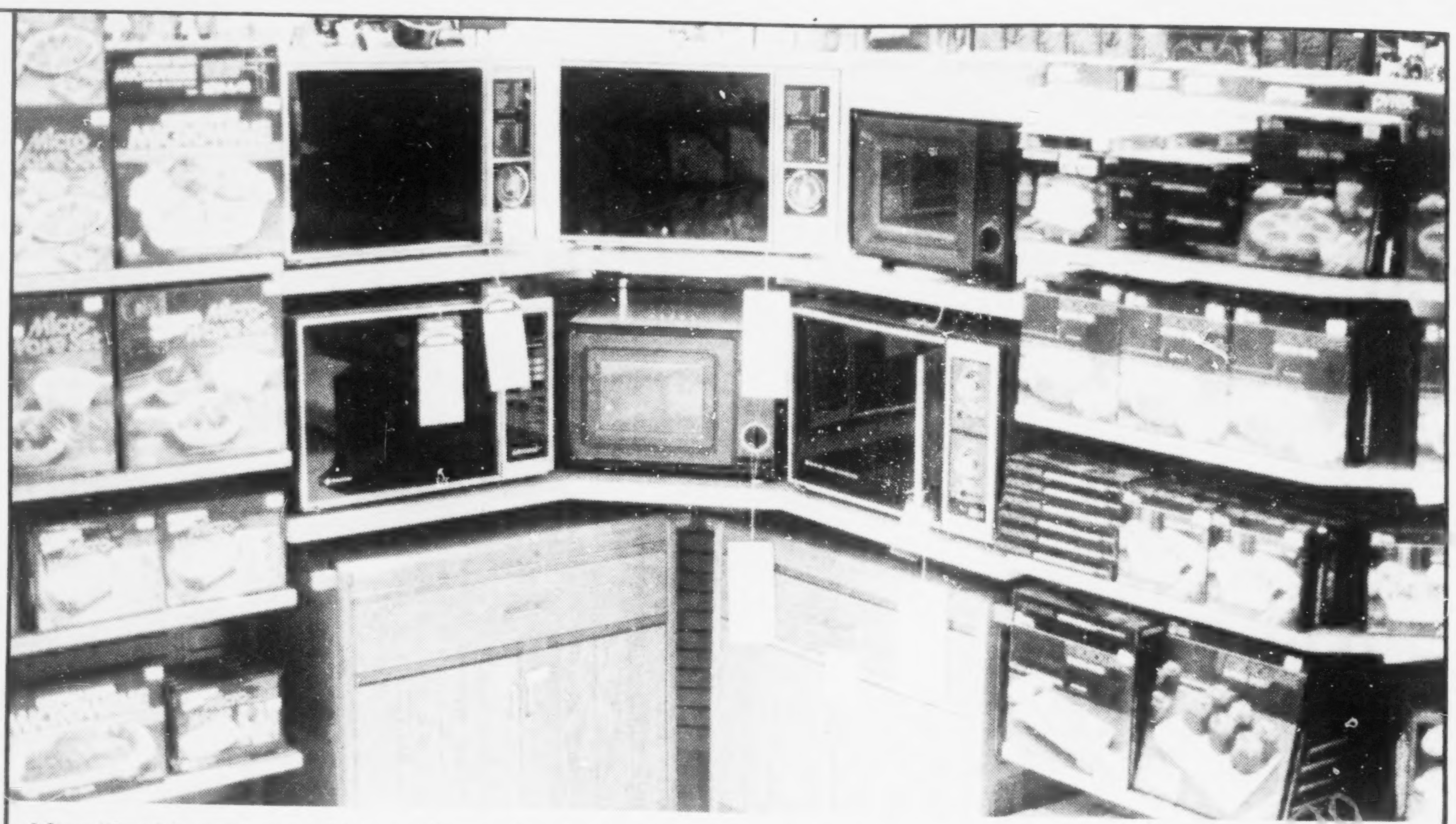
*Extend-A-Phone ranges from base unit vary by model and environmental conditions

Sales Rise at Expense of Margins

Housewares

BOXSCORE

Discount Store Sales	$5.3 Billion
Sales per Store	$639,000
Department Size	5,750 Sq. Ft.
Annual Sales per Sq. Ft.	$111
Annual Turns	3.9
Initial Markup	36%
Gross Margin	31%



After "looking at everything else in the industry," AIM for the best management put a microwave oven and cookware package together in the housewares area to create maximum impact for the category. *(DSN photo)*

The two-pronged strategy applied to housewares this year has been relatively successful.

Operating in 1982's treacherous economic climate propelled the discounters into a very cautious pricing posture, particularly on brand name basic items.

While discounters felt they had no choice but to generate sales with sharp price promotions on basics, this led to a highly price-competitive market with bread-and-butter housewares taking their lumps in the gross margin column.

To offset the struggle for gross margin and remove themselves from some of the nose-to-nose price competition, the majority of chains have been simultaneously strengthening their hand in the higher-end housewares business.

With the discounters' traditional customer base among the most economically pinched, an additional objective of the strong trade-up positions taken this year is to build a larger following among more affluent customers.

If the formula for balancing price promotions with trade-up efforts were working as planned, discounters would be bolstering both total sales and gross margins this year.

Mixed Results

However, *DSN*'s projection is that housewares will turn in mixed results for 1982.

Total nonelectric housewares sales (excluding glassware, listed separately) are estimated to increase from $4.8 billion to $5.3 billion in 1982. This represents a fair 10.4% increase in sales, a gain which exceeds the year's inflation rate of 8.2%.

Housewares also is going ahead in sales per store, estimated to be at $639,000, an 8.6% increase over last year's $588,000.

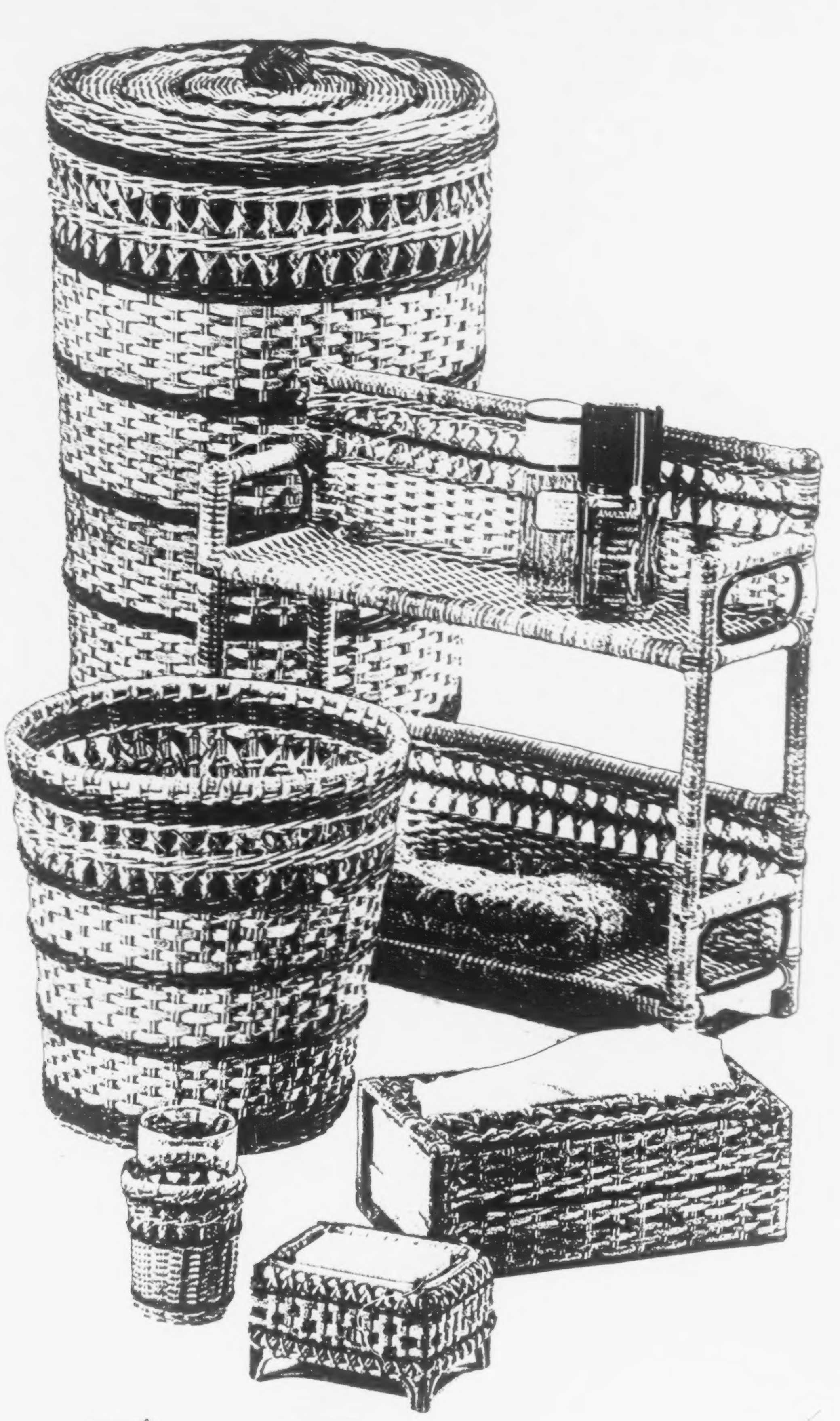
Annual sales per square foot at $111 will represent an 8% increase from $102 last year.

These housewares increases are expected to be offset by declines in both annual turns and gross margins. Stockturns are projected to drop from 4.1 to 3.9 this year. Initial markup is expected to remain unchanged from last year's 36%.

However, housewares is projected to turn in another year of sliding gross margins. This year its estimated margins will

(Continued on page 100)

It's A Natural...



...For You

Coordinated bathroom accessories for the chain store discount market. Hand woven Chinese merchandise fashioned by Old World craftsmen; easily adaptable to all the demands of modern life styles.

Attractively priced. And, best of all, available for immediate delivery from both Philadelphia and San Jose.

Write for free catalog.

See us at Booth 5357 during the Chicago Housewares Show.

Imports International

3560-62 Sepviva Street, Philadelphia, PA 19134 (215) 535-0111
199 Martha Street, San Jose, CA 95112 (408) 289-1289
550 Piercey Road, Bolton, Ontario, Canada

NOTICE TO THE TRADE

Mattel Inc. markets MONCHHICHI® dolls in the United States, Puerto Rico and the Virgin Islands under an exclusive license from Sekiguchi Co. Ltd., owner of the MONCHHICHI trademark and copyright registration.

The copyright registration is recorded with the United States Customs Service. Mattel intends to enforce rights which are available under law, including taking such action thereunder as may result in precluding importation into the U.S.A. of infringing copies of the MONCHHICHI doll. Please respect our rights.

MATTEL INC.

Mattel, Inc., 5150 Rosecrans Avenue, Hawthorne, California 90250 Patent Department

FASHION PLATES INC.
SUPER DAD
WORKING WOMAN
Tennis Anyone ?
RUN A MILE
LIVE A WHILE
RETIRED
PS I Love You

Auto and Bike Tags

These beautifully designed tags are made of non-rusting aluminum with oven baked enamel imprinting. All copy, borders and logos are embossed.

Using our 24 position floor rack display, one square foot of space can bring you 50% to 60% profit!

For more information call:
Fashion Plates, Inc.
7 Jordan Road
W. Peabody, MA 01960
617-535-2855

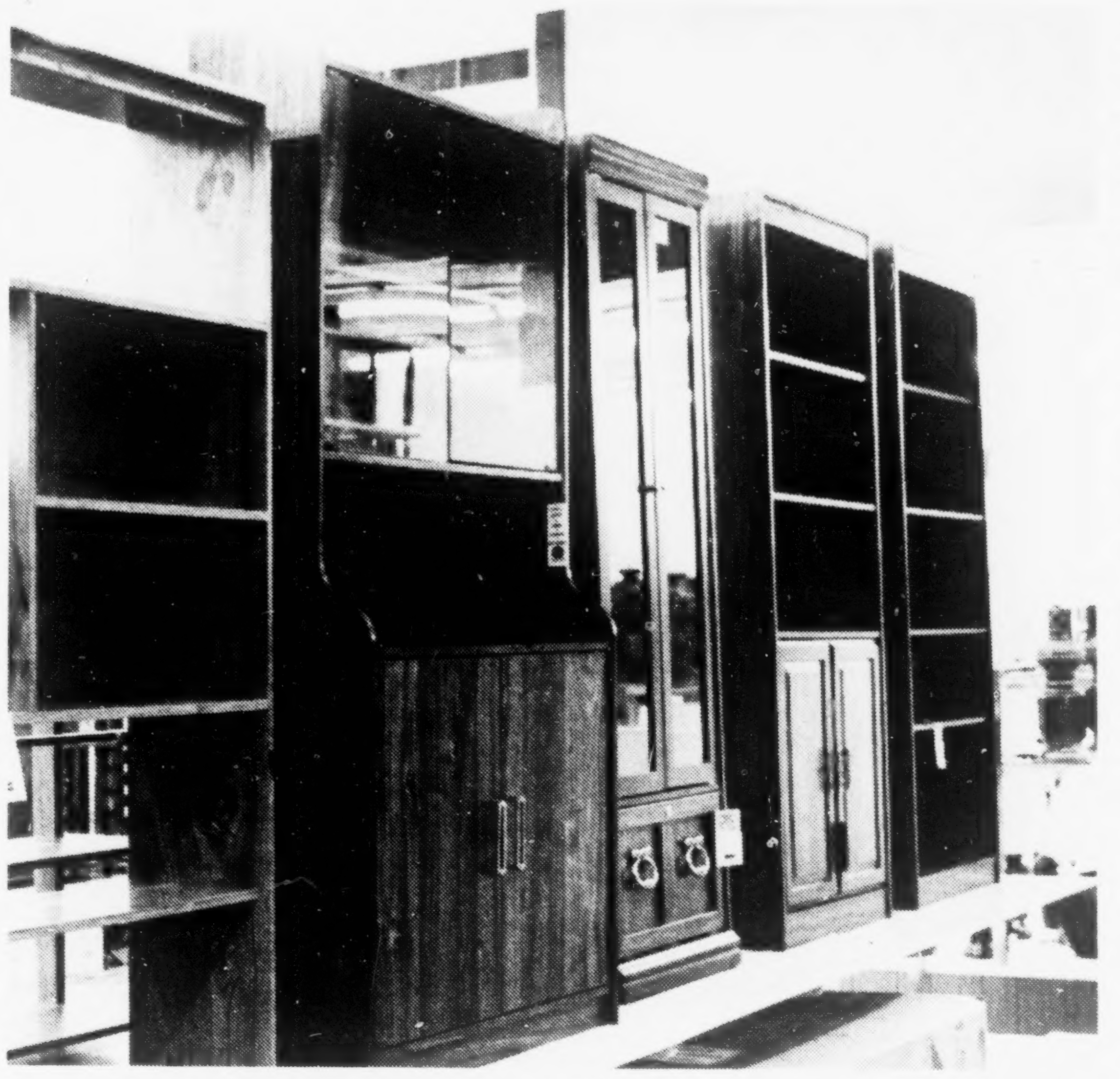
NFL TEAM BIKE TAGS
Raiders
NFL CHAMPS
and NOVELTY
BIKE TAG COLLECTIBLES
MICHIGAN
GREAT LAKE STATE
and NOVELTY
BIKE TAG COLLECTIBLES

NFL
NBA ~ NASL
~ STATES ~
~ COUNTRIES ~
~ STOCK NOVELTY ~
CUSTOMIZED

HOUSEWARES

Discount Store Census '82/'83

Bradlees, Roses in Tradeup Moves



Murphy's Mart displays a variety of KD furniture wall units, a prime sales growth area for discounters, in its recently opened Glen Burnie, Md., store. *(DSN photo)*

(Continued from page 98)

decline to 31% compared to 1981's 32% and 1980's 34%. The combination of a projected drop in gross margin and turn indicates housewares isn't having a banner year in ROI.

The gross margin drop juxtaposed against the sales gain also indicates customers have been responding to the promotional efforts in basic merchandise but discounters still have some ground to cover in capturing the higher-priced business.

One chain making a major effort in that direction is Bradlees. James Hyman, vice president, gmm, described Bradlees' new housewares approach as designed "to build sales in merchandise categories presenting the greatest gross margin opportunities" and to narrow the gap between the chain and its conventional department store competition.

The Bradlees innovations set it apart from the look and merchandising of most discounters. The department has been physically segmented into three areas—living, kitchen and housewares—designated by overhead canopies.

Traditional gondola run presentation was dramatically cut back, replaced by custom-designed wood fixtures, bulk stackouts and showcases with recessed lighting, many of which were inspired by displays at such housewares specialists as Conran's and Crate and Barrel.

Hyman said the ongoing remodeling of its housewares areas was encouraging the chain's buyers to add higher priced merchandise to the mix.

Another discounter taking a major step into the fashion housewares business this year is Roses. The chain began carving out a new housewares area of approximately 600 sq. ft., called the Kitchen Nook, as a test in some of the larger stores.

The wood-framed shop contains Roses' first move into higher-priced fashion housewares such as copper pots up to $80 and merchandise representative of the Americana or country-look trend.

Buyer Larry Branch said spread of the Kitchen Nook into more units than its current placement in nine stores would depend on a study of its performance over a full year.

So far, Branch said, the figures look good, and he predicts a roll-out into all stores over 50,000 sq. ft., located in or near metropolitan markets.

Sales per square foot for the area have been running ahead of the $100 mark set for the housewares department. Gross margins have been running 6% to 8% higher, according to Branch.

Further Considerations

Further evidence of discounters' trade-up intentions, including an acceleration among chains already considered "upscale," was the heavier-than-usual discounter attendance at the San Francisco Gourmet Products Show.

Merchants from Zayre, Zodys, Prange-Way, ShopKo, Target, Bradlees, and Gold Circle were among those making the trip, most of them making their debut at this West Coast show.

Some went to buy; some to be inspired. Ron McDiarmid, Zodys' merchandise manager, said: "There's one reason for a mass merchant to go to this show. It gives us ideas of what trends are coming in and which are going out. It highlights key areas of future growth."

Prange-Way's buyer Myron Vedvik said he took out his pen and order book in San Francisco, finding plenty to buy in new merchandise at salable price points. Vedvik was looking for merchandise appropriate for the new, upscale housewares area to be unveiled along with new store prototype this fall.

Another Approach

Those chains not moving into such total housewares overhauls as Bradlees, or adding sections specifically to house higher-priced fashion merchandise, like Roses, are moving cautiously into higher price points in just about all categories without abandoning their opening price point positions.

Wal-Mart, for instance, moved up to $60 Club Aluminum cookware sets; K mart featured dinnerware imported from China at $77 for a 45-pc. set; T.G. & Y. added an open stock cutlery program with prices going up to $18.99, sets up to $38.

One category many chains are banking on to provide more sales volume and gross margin is furniture. Judging by discounters' growth in this category, they have found a void that wasn't being filled by the conventional department stores or any other retail segment.

Frank Newman, vice president, general merchandise manager for hard lines at Zodys, cited two hard lines areas of "explosive growth." One was video games; the other was furniture.

Manufacturers estimate discounters have doubled their KD furniture sales in the past five years; discounters expect the future to hold more of the same.

Very hefty sales increases for the first half were reported by several chains. Among them were Gold Circle with a 50% increase; Wal-Mart with a 75%-80% surge.

The common household shears aren't common anymore.

The beautifully styled Century line gives the common shears a proud new appearance and improved performance. Their sleek stainless steel blades and amber acrylic handles will build impulse sales the year round.

They're practical, too. Blades retain their keen edges through long hard use — cut cleanly right to the tip through all clothing fabrics, paper, cardboard and many other materials. The contoured handles are more comfortable to hold . . . fit fingers better for more cutting control.

Attractively carded and priced to sell individually at the counter, or bulk-packed for volume sales. Call your distributor or write us.

Counter merchandiser takes less than 1 sq. ft. of space. Holds 6 each of the complete Century line. Builds impulse sales and profits.

Century
Acme United Corporation
Fairfield, CT 06430

ACME USA
STAINLESS
431S-9"
431S-8"
411S-8"
431S-7"
441S-5"
441S-4"

Made in America by the world's largest manufacturer of scissors and shears.

Basics Get Focus as Sku's Are Pruned

Electric Housewares

BOXSCORE

Discount Store Sales	$1.5 Billion
Sales per Store	$181,000
Department Size	875 Sq. Ft.
Annual Sales per Sq. Ft.	$206
Annual Turns	4.0
Initial Markup	23%
Gross Margin	16%

Caldor, Paramus, N.J., typifies the chain's upscale approach to presenting electric housewares. Appliances are bulk-stacked and displayed on recessed wall shelves. *(DSN photo)*

It's been the kind of year that hasn't presented too many options for traffic electrics.

The area has been buffeted by an economy prompting customers to defer electrics purchases. And, it's been a long, dry spell since the introduction of hot, new items like the slow cookers, food processors and drip coffeemakers to stimulate sales.

Even with improvement in the economy, discounters aren't optimistic about its benefits for traffic electrics, with other hard lines areas—like consumer electronics—serving up a list of new products to lure customers' discretionary dollars.

The electrics strategy adopted by most discounters as a result of these factors was summed up by Hal Pettitt, senior vice president of T.G. & Y. He said: "Our business has been very good because we've stayed in stock on basics. We used to put in any new item that came along; but for every good item, we had five that were markdowns. We don't do that anymore. But the category does need new volume items like popcorn pumpers or food processors."

General Agreement

Most chains—Zayre, Target and Gee Bee among them—have re-evaluated their electrics strategy and concluded the name "traffic" appliances had probably become a misnomer. The area doesn't pull in enough customers to warrant the designation anymore.

A Target merchant put it this way: "A list of the top 50 items in a discount store chain today probably wouldn't contain one single traffic appliance."

The upshot of the re-evaluation of the department is dramatic sku cutting in every category. With assortments and inventory levels reduced, discounters are proceeding to get behind promotions of basic, replacement items—coffeemakers, toasters, steam irons, etc.—in an effort to generate the greatest possible volume and turn.

Higher-ticket electrics—models with "whistles and bells"—have struggled into some assortments, but they rarely find their way into discounters' advertising and promotional plans.

(Continued on page 123)

THERE MUST BE GOLD IN THAT THERE ALUMINUM!

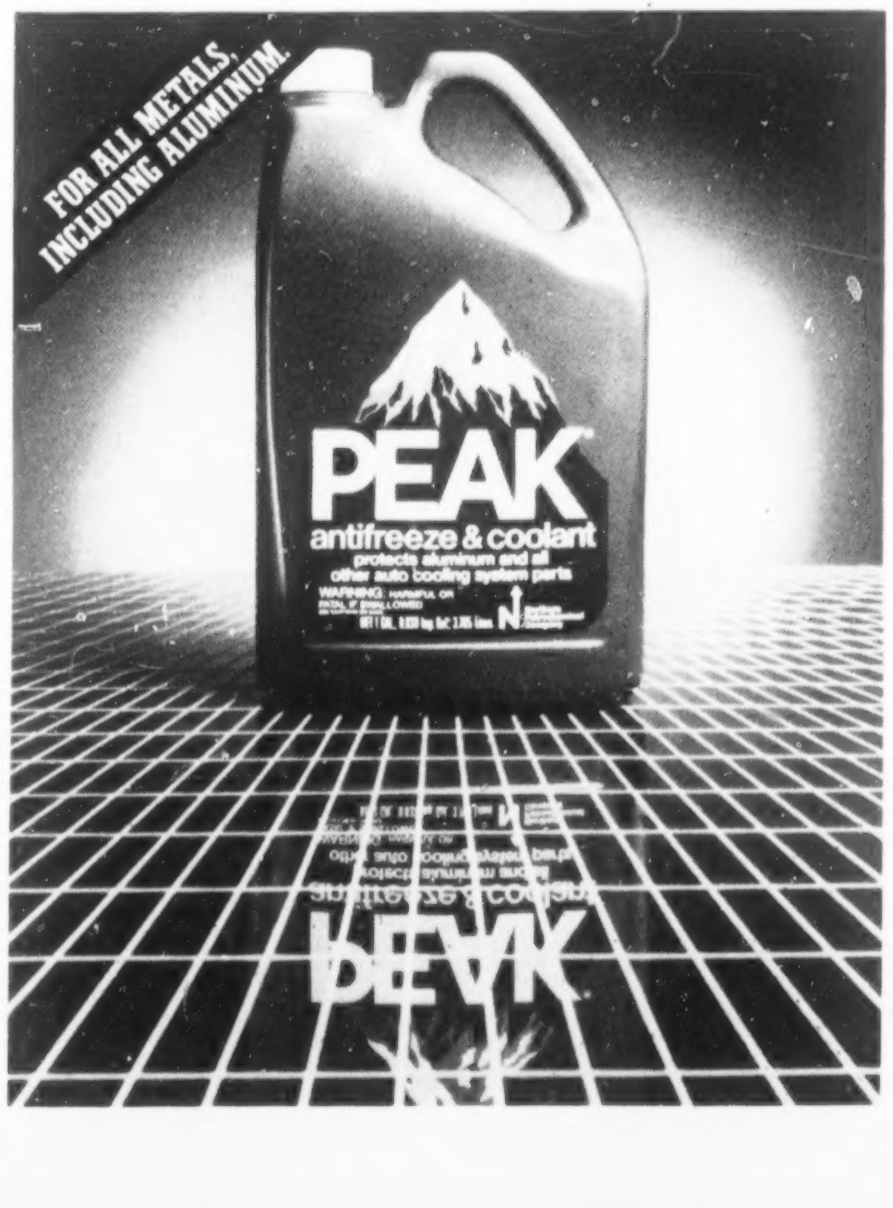
From the looks of the advertising these days, everyone's joining the Aluminum Rush.

Everyone except PEAK.

PEAK antifreeze & coolant has always provided unsurpassed anti-corrosion protection for all metals, including aluminum.

This year's PEAK is no different. Except that we've improved our aluminum protection to exceed the requirements for today's and tomorrow's aluminum-component engines.

So, if you'd like to strike it rich in aluminum this year, do what savvy car owners will be doing: Reach for the PEAK.



FOR ALL METALS INCLUDING ALUMINUM
PEAK
antifreeze & coolant
protects aluminum and all other auto cooling system parts

Northern
Petrochemical
Company

GLASSWARE

Discount Store Census '82/'83

What Recession? Biz Runs 20% Ahead

This year's projections for glassware bear out the theory that this category is recessionproof.

With sales projected to run 20% ahead, reaching $600 million—on top of a 25% increase last year—this category obviously has more going for it than new store openings and inflation jacking up prices.

Average sales per store are projected to increase by 18% to hit $72,000. Annual sales per square foot are seen rising from $102 to $115, a 12.7% gain.

Even though glassware's score in turns, markup and gross margin are expected to remain the same as last year—4.2%, 42% and 37%, respectively—its performance ranks it among the top categories in housewares and all hard lines.

Increased Sales

Several trends surfacing last year and accelerating this year kept glassware ahead of the pack in sales growth. For one, discounters cashed in on the entertaining-at-home trend by expanding their glassware sections.

Principal beneficiaries of the expansion were combination glassware sets and stemware. Discounters also give credit to the widespread manufacturer introduction of four-color lithography in packaging, with its added eye-appeal, as giving a boost to the glassware business in general, combination sets in particular.

Finding little to no price resistance to combination sets—18-32-piece sets—retailing between $10 and $20, most discounters carved out a permanent place for them in glassware assortments instead of sticking with their previous strategy of bringing the sets into the store for in-and out price promotions only.

Similarly, stemware earned a permanent year-round section in most chains this year, a switch from their former method of bringing in the merchandise for holiday selling only.

T.G. & Y. is one example of both changes. Last year the chain had essentially a 4-pack glassware operation with combo sets used only for promotions; stemware arrived in October and wasn't replenished after Christmas selling.

Beginning in 1982 the chain set aside one gondola run to house combination sets and stemware on a 12-month basis. The sets occupy 70% of the gondola run; stemware, 30%.

At Hills stemware was described as "one of the fastest-growing areas of glassware." Until this year stemware was carried only between October and December. Now Hills devotes 4 ft. of its 26-ft. glassware area to stemware on a 12-month basis.

ShopKo is another chain in which the growing importance of combination sets is apparent. In the chain's 90-ft. glassware section, combination sets have been given 20 ft.

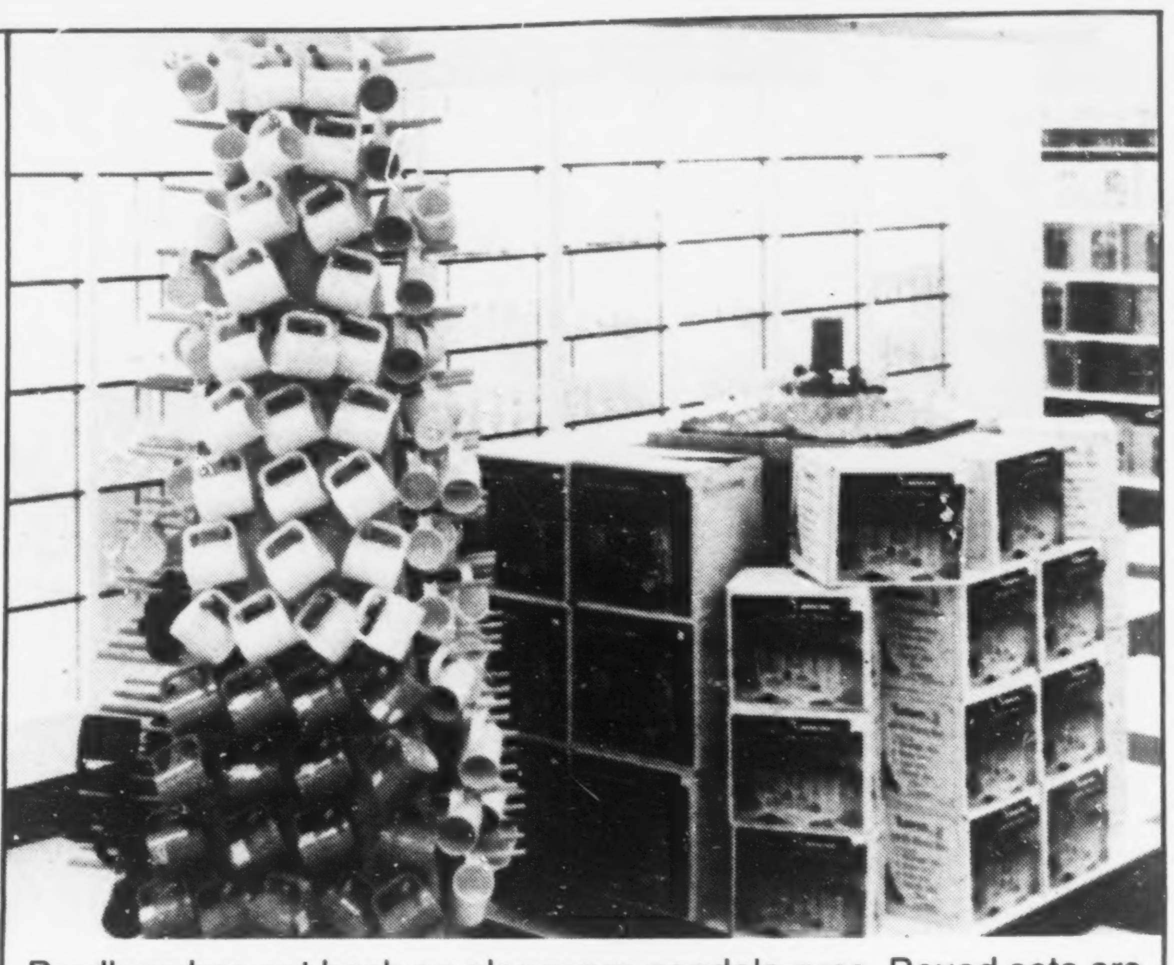
At Zodys, combination sets occupy a 16-ft. gondola run. This is the same amount of space given to 4-packs in glassware, once the overwhelming share of most discount chains' sales and assortment.

Another significant aspect of the glassware market is the increase in the number of manufacturers looking for a larger share of this growing discount store category. J. G. Durand, which has just opened its first United States production facility, and Wheaton and Riekes Criesa, among others, are making major efforts to expand their discount store distribution.

Glassware

• Discount Store Sales	$0.6 Billion
• Sales per Store	$72,000
• Department Size	625 Sq. Ft.
• Annual Sales per Sq. Ft.	$115
• Annual Turns	0.4
• Initial Markup	42%
• Gross Margin	37%

BOXSCORE



Bradlees has cut back on glassware gondola runs. Boxed sets are stacked out with a center pedestal table displaying merchandise; bulk glassware is housed in a display unit with glass shelves and recessed lighting. *(DSN photo)*

RECORD/TAPES

Discount Store Census '82/'83

New Promos Developed; Stocks Pruned

Record and tape sales seem to be moving to a slow waltz rather than to a rock-and-roll tune as a scant 6.6% sales increase is projected for 1982.

Discount store sales are expected to reach $1.6 billion this year, up from $1.5 billion in 1981, as sales per store creep up to $193,000 from $184,000.

Although chains are managing to pull gross margins up to 23% from 18% a year ago, turns are dropping from 4.4 to 3.4 annually.

As prices on records and tapes continue to climb, buyers face a decline in the teenage population that once kept the department hopping. In addition, video games are posing strong competition in the struggle for the young people's spending money.

Chains report a clear stiffening in sales since the price of double albums hit $14. The fastest moving price points for most discounters are in the $6 area.

In tapes the tide continues to flow away from 8-track cartridges in favor of cassettes, owing to the popularity of portable cassette players.

In moves to bolster profitability, chains such as Woolco, Heck's, Cook United and Caldor are cutting inventories and developing creative new promotions.

Different Techniques

At Heck's the strategy is to shift the focus to lower priced 45's by taking on a broadened assortment. A full program of 45's, tagged at $1.39 to $1.99, was tested in about 25 of the chain's stores in the spring. The program was adopted chainwide in June.

"In the process of taking in more 45's we will dress up the department, adding more pizzazz and merchandising it better," explained buyer Larry Lacey.

The entire department will be refixtured in Heck's stores, Lacey said. Top hits will be merchandised together and a top-seller chart will be posted within the section.

The change in mix will also extend to tapes. A mix once 70/30 (8-tracks to cassettes) will be gradually shifted closer to 50/50, said Lacey.

To boost profits, Woolco is shifting to its own computer system and phasing out its current use of a distributor to track and order its stock. The changeover should be complete by 1984.

To hold down inventories, the New York-based chain only takes in releases generally expected to make the best-seller list. Albums by such rock-and-roll favorites as the Rolling Stones are must-haves; classical categories aren't carried, a chain spokesman said.

Cook United didn't eliminate, but switched distributors this year, because a new distributor offered more promotions geared to spark LP sales.

New Approach

Also, starting this year every Cook store devotes an endcap to six of the current best sellers.

Two-for-one promotions on cut-outs (albums whose popularity has fallen off but will still sell at sharply reduced prices) have also helped the chain to keep the department stable, a spokesman added.

Caldor, enjoying strong sales in new releases, tried a different tack to sway more customers into its record department.

The Connecticut-based chain set up a D.J. booth in the department, where current best-sellers are played and information is given.

Records & Tapes

• Discount Store Sales	$1.6 Billion
• Sales per Store	$193,000
• Department Size	1,050 Sq. Ft.
• Annual Sales per Sq. Ft.	$183
• Annual Turns	3.4
• Initial Markup	25%
• Gross Margin	23%

BOXSCORE

Discounters are tightening record inventories to a select assortment of sure-selling albums. In the Permian Basin Gibson's, Odessa, Tex., the top 10 are set out on an island display. *(DSN photo)*

Air Cleaners Hot; Price Points a Problem

Hair care appliances remain the backbone of personal care electrics, but they took a back seat to the excitement created by a hot, newer category—air cleaners.

The appliance hit its stride during the second half of 1981 but some discounters had their doubts about its staying power. They were wrong. First-quarter 1982 results proved the item would, if anything, continue to gain in strength.

With tonnage quantities expected to sell this year, the central question concerning air cleaners was price points.

Early in 1982, the market had a whiff of price competition as low as $9.99. With more Far East imports, some of them direct imports, expected to land, discounters wondered what opening price it would take to remain competitive and how high in price to move with new step-up models sporting such features as multispeed fans and larger air cleaning capacities.

Price-point decisions varied from chain to chain with some, including Zayre, K mart, Gold Circle and Magic Mart, planning to jump into the under-$10 price fracas.

The majority of discounters, regardless of opening price-point position, continue to have at least one moderate-priced, $15-$20 unit from a major brand such as Norelco, Rush Hampton and/or Pollenex represented in their assortment.

Wal-Mart was among chains expanding assortment and stepping up in price. The chain moved from one to four sku's, with a top price at $30 for Pollenex model 799.

Merchandising Move

S. E. Nichols' second-half plans include moving to the $30 price for Sunbeam's model 5725.

Despite differences in planned price positioning, most discounters expect the heaviest rate of sale to continue to center around price promotions, meaning the air cleaners aren't expected to be a bonanza in gross margin.

However, a Zayre merchandiser's comment about profit potential of the category was typical: "We will sacrifice gross margin in the sale of the units to be competitive, and make up for it in the greater gross margin opportunity in the filters."

The surge in air cleaner business was partially responsible for the sales increase in the personal care category this year.

Another factor was 1982's sku-cutting in all electrics, including personal care. Discounters whittled assortments down to only the fast-turning items which were, in turn, backed by the heaviest promotional effort.

In personal care, this resulted in several chains cutting down on fringe items.

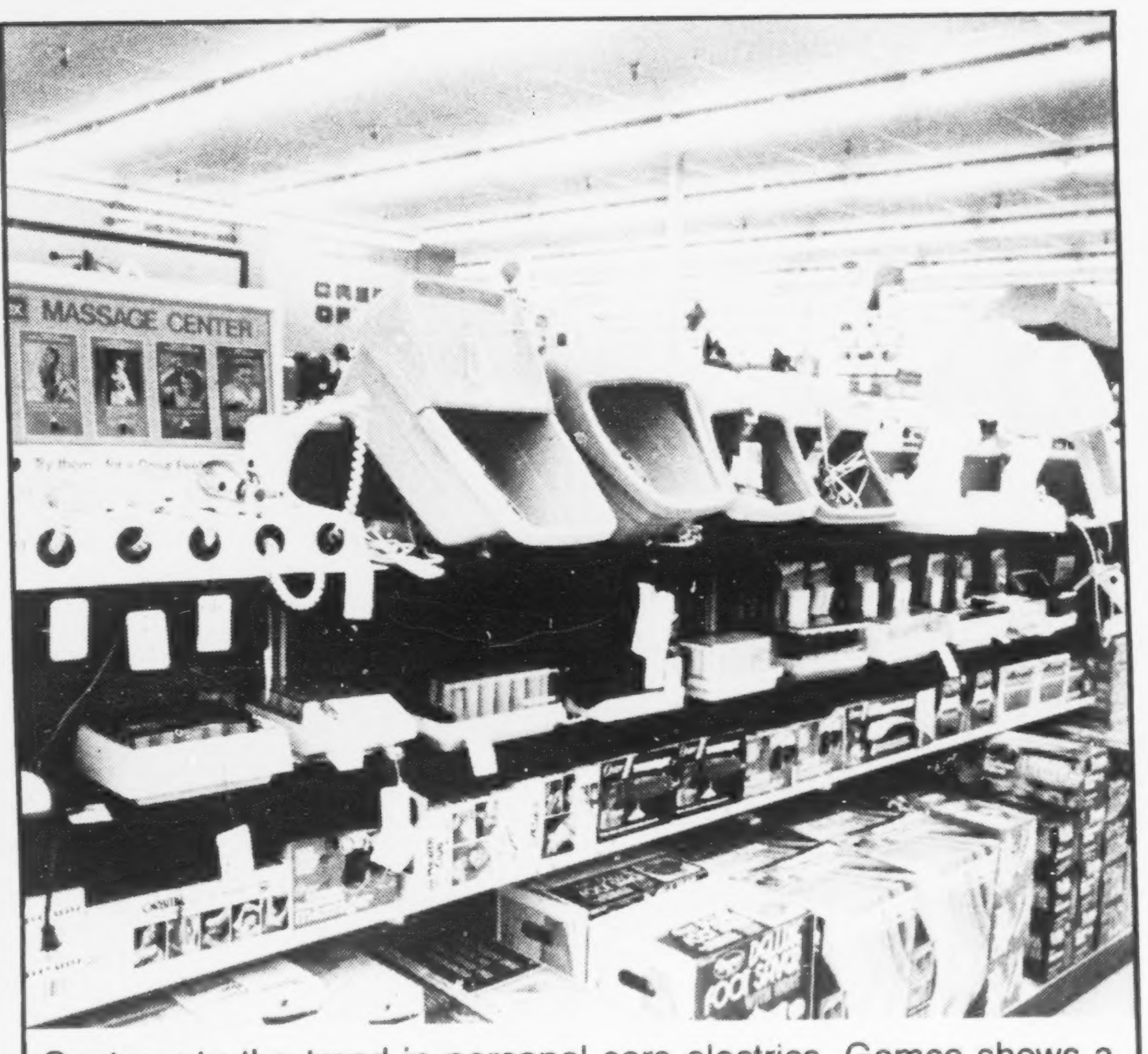
Nor were hair care appliances, which generate personal care's largest volume, immune to the cutting. The big assortment spread in styler/dryers has been cut back so that a typical assortment includes only the top items in pro and turbo models.

Air cleaner volume and the focus on fast-turning items are boosting personal care appliance sales by 8.6% this year, up to $2.5 billion. Sales per store are projected to increase 6.7% to 301,000 with sales per square foot estimated to be $334, another 6.7% increase.

BOXSCORE

Personal Care

Discount Store Sales	$2.5 Billion
Sales per Store	$301,000
Department Size	900 Sq. Ft.
Annual Sales per Sq. Ft.	$334
Annual Turns	4.0
Initial Markup	22%
Gross Margin	16%



Contrary to the trend in personal care electrics, Gemco shows a broad-assortment approach including several sku's each of massagers, foot baths, hair setters and hard-hat dryers. *(DSN photo)*

Now
after your customer
goes home with
The Foot Fixer,®
she'll come back with $10.

$10
Your
Store
$10
Gift Certificate
$10 $10 $10

When you sell your customer The Foot Fixer by Clairol, she not only receives the finest foot water massage on the market. She receives a $5 rebate or a $10 gift certificate by mail, good for any merchandise in your store.*

Ask your Clairol representative for details. It will mean more Foot Fixer sales today. And more repeat sales tomorrow. *Tobacco and liquor not included.

Clairol Appliances

© 1982 Clairol Inc.

HOME SECURITY

Discount Store Census '82/'83

Locks Click, Aided by Heavy Promotions

ACCESSORIES
TOOL BOXES
Jamesway
HOME SAFETY AND SECURITY CENTER
•FIRE EXTINGUISHERS •SMOKE DETECTORS
•ENTRANCE LOCKS •DEADBOLTS •PADLOCKS
Duty Security Products
ROMEX

Most stores, such as Jamesway, Pompton Plains, N.J., put the bulk of their home security dollars into the lock category—with the area showing a sales gain of 25% in 1982. *(DSN photo)*

BRAINERD HARDWARE FOR SAFEST
HOME PROTECTION
Solid BRASS BUTT HINGES
WITH BRASS HINGE PINS & SCREWS
MORTISE DOOR BOLT
CHAIN DOOR GUARD
DOOR VIEWER
SURFACE BOLT
Brass Hinges
Brass Hinge

Lock sales give discounters a secure position in home security. Some chains have experienced a 25% sales growth in the category, shown here at Heck's, Charleston, W. Va. *(DSN photo)*

Discounters are trying to keep the door open to increased sales in the home security category by shoring up their already strong lock classifications and keeping their eyes on new items such as home safes.

Lock sales are showing gains of up to 25% over last year, making them the primary bright spot in the department. Both heavy promotions and fine-tuning of the lock mix contributed to their success. Buyers have set their sights not only on new products but also on more promotion deals and new packaging.

Chains are basically divided as to whether to expand or stay put with their home security space allocations. Zayre's merchandise manager Dennis Grieco said, "We have an extensive section that we're looking to refine, not expand."

Door locks are Zayre's hottest items, window locks the slowest. Zayre may drop sku's in the home safe category, where sales of three sku's are soft, Grieco said.

Bradlees is one of the few chains to tout safes in recent promotions. The chain averages 16 running feet and a 4-ft. endcap in hardware for home security. A $129.99 three-combination lock cadet safe was selling on ad for $99.99, alongside a combination wall safe priced at $79.99, for 20% off.

Heck's is considering putting in home safes. Buyer Carlos Owens said there have been indications at store level that the market is opening in this category.

The West Virginia-based chain noted a 25% sales increase in its lock category. Owens' program emphasizes padlocks and passage locks. In passage locks the chain carries three sku's, promoted at $1.99 to $3.99. Entrance locks at the chain retail for up to $16.88.

Entry locks and deadbolts, priced up to $10, are winners at S. E. Nichols. Sales are up 25% in a fine-tuned program with two import lines and six mid-priced domestic sku's.

Buyer Ed Mendelson has enjoyed strong sales from fire extinguishers, with three sku's priced from $9.99 to $25.99. "Last year we couldn't get them shipped to us fast enough," said Mendelson. The category is promoted three times annually.

In recent fire extinguisher promotions, Gold Circle offered three types—effective on liquids, electrical fires, and more—on sale for $7.99 to $17.99, regularly retailing at $10.99 to $24.99. Bradlees cut 25% to 35% off its selection for liquids, wood, paper and electrical fires, priced at $8.99, $10.99 and $19.99.

Murphy's Mart, like many chains, has seen hot sales in smoke detectors since new ordinances were passed in their coverage areas requiring the items in homes.

The chain offers three sku's from $9.99 to $17. The high-end model is offered on sale with a $5 rebate, bringing the final cost to customers to $10.97.

K mart has allocated most of its 12 running feet in security to locks. The chain has moved out of alarm systems; a spokesman said they only sold on markdowns. Only one sku is offered in the smoke alarm area.

LOOK AGAIN AT COSCO

Unique folding Big Steps™ offer extra large molded safety tread steps. Sturdy frames have continuous rear leg supports. In new single step and economy two-step models. The leader in step stools takes another step up.

COSCO
Subsidiary of Kidde, Inc.
KIDDE
2525 State Street, Columbus, IN 47201

TODAY'S MONEY MAKER

Because today, cars need to be kept running better...longer!

CASITE ENGINE TUNE-UP
ADD TO GAS, OIL OR CARBURETOR
FREES STICKY VALVES AND RINGS
CLEANS CARBURETOR, PCV VALVES
DISSOLVES VARNISH, GUM, SLUDGE
RESTORES POWER—SMOOTHS ENGINE
NET 15 FL. OZ. 0.444 LITER

Advertised on
CBS-TV
Morning News
Made by the
Engine Specialists
HASTINGS
Manufacturing Co.
Hastings, Michigan
49058

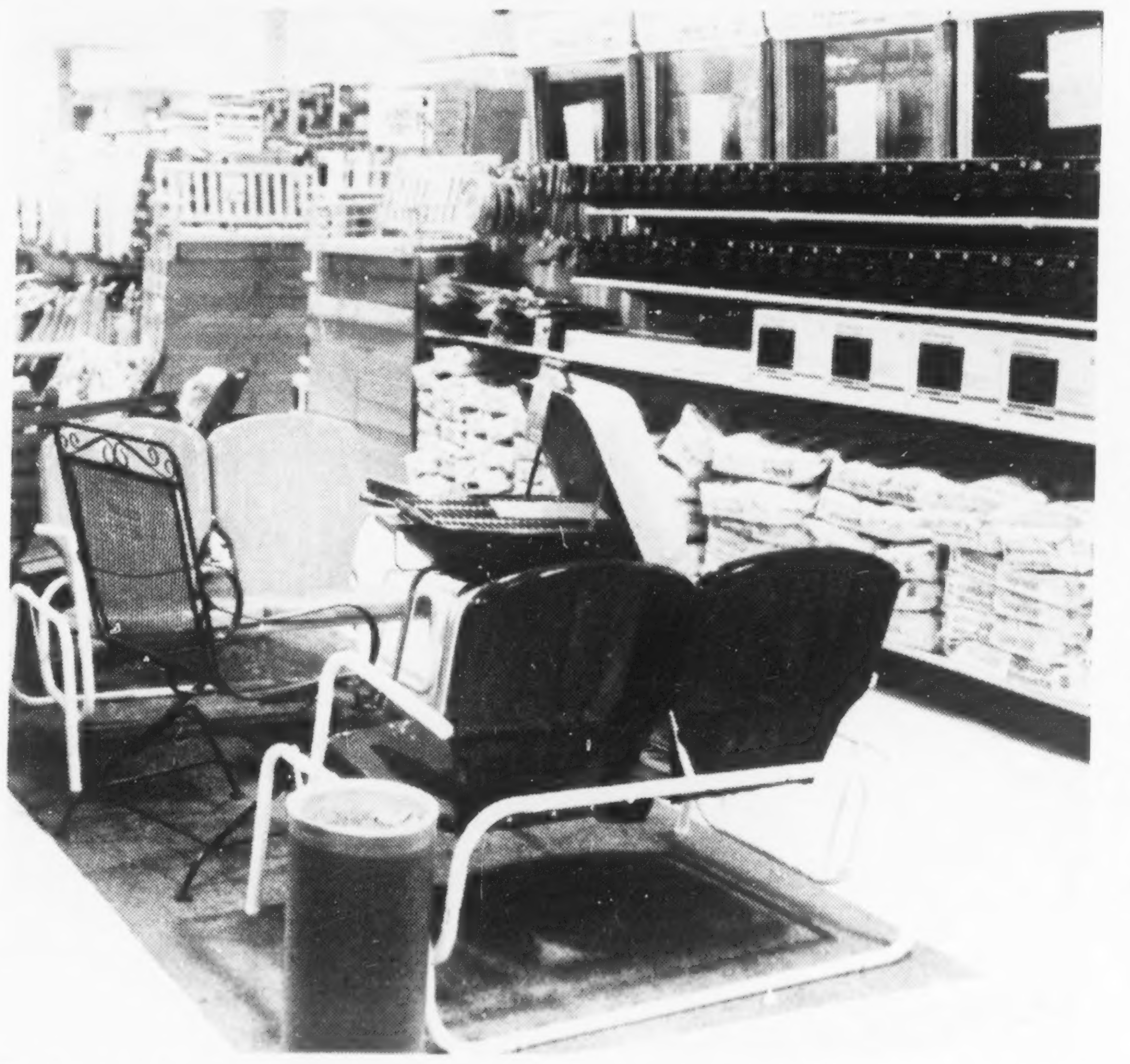
One of the best-known, best-selling brands in housewares.

SWING-A-WAY
go with the leader.

SWING-A-WAY MANUFACTURING CO. • ST. LOUIS, MISSOURI 63116

Discount Store Census '82/'83

Mower, Furniture, Grill Tickets Rise



Patio furniture groupings and grills of various styles highlight the lawn and garden department at Wal-Mart, Fayetteville, Ark., in season. Both categories are getting tradeup treatment by most chains.

Center-aisle display in lawn and garden goes to higher-ticketed riding mowers, trailers and spreaders at Woolco, Lindenhurst, N.Y. Push mowers occupy slanted-shelf wall displays in the back of the department. *(DSN photos)*

Lawn and garden departments are being revamped in discountland, because of higher prices in key categories: lawn mowers, patio furniture and grills.

Lawn mower merchandising has become a whole new ball game by virtue of $25 to $80 per-unit price hikes accompanying new safety features mandated for all units marketed after the July 1 enactment of a new Federal law.

Buyers, many of whom reported resistance to higher-end mowers this year because of the sluggish economy, expect to make radical changes in their programs to compensate for new prices. Many chains like Magic Mart and Murphy's Mart report they will be trimming unit counts when mower orders are placed this fall.

Change Planned

At Murphy's Mart, plans include maintaining sku counts in lawn mowers, but the chain will trim back on depth of lines carried, a spokesman said. During the past year, Murphy's Mart cut sku's in mowers from nine to eight to combat sluggish sales at the higher end.

At the same time, Murphy's Mart will enlarge its assortment of lawn mower replacement parts, hoping to capitalize on what it sees as consumers' desire to hold onto older models longer and to put off trading up to more expensive units with the new safety features.

In patio furniture, new higher-ticketed PVC (polyvinyl chloride) groupings have whetted discounters appetities for trading up.

Sales Improve

Some chains reported excellent sales of the furniture which was popularly priced at $200 to $300 per group.

PVC groupings in the $200 area tended to be the best sellers for chains like T.G. & Y.

Some chains like Zodys, however, say they will wait for PVC prices to fall below the $200 mark before entering the marketplace with an offering.

The bulk of movement in higher-end gas grills continues in the $100-$200 price range, although chains stocked units for up to $300.

Chains like Bradlees which heavily promoted gas grills at $100 found unit sales higher in the $100 to $200 range, especially for grills with added features such as cutting boards, up-front controls and cast iron construction.

Retail Congress In Paris Is Set

NEW YORK—The National Retail Merchants Assn. will hold its 9th World Congress of Retailers and World Business and Equipment Expo at the Palais des Congres, Paris, France, April 8-11, 1984.

Over 1,000 delegates representing top management of stores from all corners of the globe are expected to attend, according to NRMA president James R. Williams.

In addition to providing a forum for the exchange of ideas and information on the improvement of retail distribution, the conference will feature an expo of the newest technology, equipment and services used worldwide.

NEW
Weather-Master
SIGNET
All Weather
Reinforced Vinyl Garden Hose
5/8" 50 FT
A HOSE FOR ALL SEASONS

Introducing Weather•Master. A NEW, clear vinyl, all-weather garden hose from Signet.

Retains Strength in Hot Sun

Remains Flexible in Cold Temperatures

Our new Weather•Master is a tough, all-purpose hose that stays strong yet pliable any time of the year, hot or cold.

Specially compounded Swan Weatherguard additives keep it soft and flexible, even in coldest temperatures. Tire cord reinforcing retains burst strength even in the hottest weather.

Weather•Master is just one of a number of new additions to the Signet garden hose line—competitively priced and backed by the Signet guarantee of quality. Look for additional sales impact from our bold new consumer benefit packaging that tells your customers exactly what they want to know about each type of Signet hose.

Call or write today for our new catalog.

SIGNET by swan

Anchor Swan Corporation, Consumer Products
Box 509, 8929 Columbus Pike, Worthington, Ohio 43085
(614) 548-65[illegible]1 800-848-8707

ANCHOR SWAN CORPORATION

Licensed Goods Spark Fashion Surge

GIRLS WEAR
GIRLS WEAR

A new focus on fashion presentation appears in children's departments in discounters such as Murphy's Mart (l.), Glen Burnie, Md., and Zodys (r.), Las Vegas. *(DSN photos)*

The U.S. Census Bureau's optimistic projections for a birth rate of 4 million per year for the remainder of the decade is only one factor prompting a surge of interest in infants' and children's apparel.

Discounters who would be reluctant to swell the category in size and assortment based only on baby-boom predictions say consumers are buying more fashion goods—particularly licensed ones—to rationalize new merchandising treatment.

Many chains reported notching 10% to 20% sales gains so far this year, with initial markup running in the neighborhood of 50% to contribute equally uplifting profit.

Chains looking to tap into the growing and lucrative market have gone to better presentation of departments—giving them more main-aisle frontage, faceout fixtures for display, increased depth and width of assortment—all supported by additional advertising linage.

Some chains like Gold Circle are even upping space although most chains prefer to keep space stable and work only on improving presentation.

Zodys, expecting to do 20% better in sales than last year with $13 million in infants' business alone, is among those pushing fashion in presentation and assortment.

Merchandise manager Stanley Friedman says fashion looks like activewear have become more and more important each season, demanding a new approach in merchandising.

Like Zodys, S. E. Nichols has focused heavily on activewear in infants' and children's. "We gave it much more space, mostly at the expense of less profitable areas like dresses," said merchandise manager Ed Dennenberg of Nichols.

Besides tracing the filtering down of fashion looks from juniors to children's and infants', Gold Circle merchandise manager Kathy Hurley noted fashion excitement stemming from the great licensing phenomenon.

For most chains, 1981 was a super year for sales of little-girl-favorite Strawberry Shortcake merchandise. But, early in 1982, her dominance in the licensing—particularly children's apparel—market began to wane.

As a result, Clover this spring pulled apart its Strawberry Shortcake departments, which were created for back-to-school 1981.

However, a host of new licensed characters whose greatest impact is in children's wear has sprung up to replace Strawberry Shortcake—although merchandisers expect none to have her strength and few, if any, will give them the play they gave her.

Shifting Emphasis

Clover, which devoted four pages of last year's BTS tab to Strawberry Shortcake (predominantly apparel) this year featured Smurf, but gave the character only two tab pages. In stores, Smurf merchandise and that of other new licensed characters, like E.T., isn't broken out into a shop, but is kept within categories.

At Nichols, while a good deal of licensed merchandise like Smurf still enjoys good play in groupings, the chain omitted buying some items like dresses and coats that last season were purchased with the Strawberry motif.

Nichols' Dennenberg also explained his merchandisers are being extremely selective in picking licensed apparel, so as not to risk major markdowns.

"The quality has to be good because the consumer is paying a higher price for the merchandise, anywhere from 25% to 50% higher," Dennenberg stressed.

Gold Circle's Hurley also noted consumers are being more quality conscious. But, when durability is coupled with fashion, Hurley found little resistance to higher prices, despite the tightened purse strings produced by the economy.

Most chains report brand names, however, aren't necessarily the enticement for customers trading up.

Zayre doesn't stock any brand in depth or on a permanent basis in its 200-500-linear-foot infants'-toddlers' sections, finding consumers bypass the lines even when promoted on a special buy.

Spotlighting Armstrong's Heritage

Top quality, hardy California-grown, standard, patio tree and miniature roses, fruit trees and deciduous shrubs . . . convenient, eye-catching, numerous forms of packaging and self-contained displays designed for quick turnaround, high-impulse sales . . . a full line from one top quality supplier.

Armstrong's Heritage . . . a profitable combination for you and your customers.

Armstrong
MINIATURE ROSES
IDEAL FOR INDOOR OR OUTDOORS
Armstrong
DWARF
WALNUT
PECAN
Armstrong

Discount Store Census '82/'83

Quality, Not Price, Gets Overall Thrust

Sporting goods merchandisers see three trends boosting volume this year: higher-ticket exercise equipment; strong demand for such staples as fishing, guns, ammo and outdoor games, and the sales appeal of licensed movie and TV characters on children's ride-on goods.

The overall thrust, discounters say, is for consumers to purchase goods based on quality, rather than price, a pattern that emerged last year as shoppers went after items that would last longer despite the higher cost.

The bottom-line result of this trend is a projected 14.1% jump in total discount industry sporting goods sales to $3.1 billion from $2.7 billion. Volume per store is seen as hitting $374,000 up 13% from $331,000, while the department's size remains at 2,500 sq. ft.

Sales per square foot will keep pace with the store volume gain and amount to $149, up 12.9% from $132. Turns, however, will decline to 2.5 from 2.9.

Sporting goods productivity will remain constant, with initial markup rising slightly from 36% to 37% and gross margin going from 30% to 31%.

Rising Trend

Exercise equipment is a prime example of the demand for better quality goods, regardless of the price. Sporting goods buyers are confident that fitness-conscious consumers will spend up to $200 for a "fully loaded" exercise bicycle, complete with digital readouts for such information as caloric expenditure and miles per hour.

A Woolco merchandiser called exercise equipment "the hottest growth category" within sporting goods.

He added that "anything to do with the women's fitness category is skyrocketing" and noted his chain is counting on smaller 3.3-lb. women's weights, sauna suits and waist trimmer belts to be star performers.

Roses is considering adding such high-ticket items as treadmills and rowing machines because of the strong interest in exercise, a merchandiser said.

Merchandising Move

The exercise interest has spread out to such related areas as warm-up suits and other apparel items. Nichols this year will merchandise activewear within sporting goods.

The trade-up trend is most pronounced in guns, with hunters willing to spend $300 to pursue their sport, and collector-class rifles and pistols carrying price tags exceeding $500.

A John Wayne memorial rifle, for example, was retailing at $655, and a Murphy's Mart merchandiser said limited production has curtailed the number he could have sold.

A T.G. & Y. merchandiser explained the strong demand for guns and ammo this year "because the category seems to run in three-year cycles." The last super year was 1979.

Combination rods and reels were cited as the jumping item in the fishing area. ShopKo, for one, increasing its assortment by 15% to 27 sku's.

The chain's merchandiser explained that "combos are the items for this season. They are easier and faster for the customer to buy because the rod and reel are together in a package."

Sporting Goods

• Discount Store Sales	$3.1 Billion
• Sales per Store	$374,000
• Department Size	2,500 Sq. Ft.
• Annual Sales per Sq. Ft.	$149
• Annual Turns	2.5
• Initial Markup	37%
• Gross Margin	31%

A golf accessories shop is created in Bradlees, Hingham, Mass., through the display of related merchandise along a wall. Small items are mass displayed while samples are shown of bulky goods. *(DSN photo)*

ACT NOW...

for quality reprints of any article or editorial feature. For 100 or more copies . . . call 212-371-9400.

SELECT-INFO

Lebhar-Friedman, Inc.
425 Park Ave. New York, N.Y. 10022

Name ______
Company ______
Address ______
City ______ State ______ Zip ______
Phone ______
Name of Article ______
Publication ______ Date ______
Page Numbers ______
Quantity ______

REPRINTS

THE ASTONISHING STORY BEHIND THE GREAT KORVETTES CHAIN

MORE THAN THEY BARGAINED FOR:
The Rise and Fall of Korvettes
by Isadore Barmash

On Christmas Eve 1980, the lights went out forever in the few remaining stores of the once proud, pioneering 58-store Korvettes chain.

What happened? Lots of answers have been given. But here for the first time are the behind-the-scenes facts—a gripping story of conglomerates, mergers, big capital, and foreign takeovers.

This book is must reading for every retailer and entrepreneur who know that to understand the reasons for the success—and also the failure—of a giant like Korvettes is to understand American enterprise itself.

Isadore Barmash is Assistant Financial Editor and retailing specialist for *The New York Times.*

LEBHAR-FRIEDMAN BOOKS
425 Park Avenue, New York, N.Y. 10022

Please send me ______ copy(ies) of MORE THAN THEY BARGAINED FOR (533) at $14.95.
Check enclosed for $______ Bill me ______

Name ______
Title and Company ______
Address ______
City ______ State ______ Zip ______

Please add $2 for postage and handling per order. N.Y. & Calif. residents add sales tax. DSN92082

INCREASE PROFITS ACROSS THE BOARD.

TRAC II
ECONOMY SPECIAL
Atra
Gillette
Good News!

If you want to rack up more profits, keep your blade board fully stocked with Gillette products.

After all, Atra,® Trac II,® Good News!® and Gillette Super Stainless are all #1 in the categories that make up 90% of the market.

A blade board that's filled with Gillette's full line not only increases sales, but cuts out of stock losses, too. Because most Gillette customers will run out to another store if it looks like you've run out of the Gillette blades they want.

So keep your board well stocked with Gillette blades and razors. It's one time when you can't have too much of a good thing.

Gillette
The Leading Edge.

© 1982 The Gillette Company, Boston, MA 02199

The DISCOUNT MART

MORE CLASSIFIED ON PRECEDING PAGES

HELP WANTED

SHOE BUYER

Are you a pro?

Leading Midwest retailer is looking for an experienced shoe buyer who has a flair for off-price buying. Our company is a rapidly growing retail store chain with aggressive expansion plans.

If you have a proven track record, strong desire to make the most of your abilities, this could be your opportunity to build an exciting career.

Salary commensurate with experience; full benefits package.

Send resume with salary history in strictest confidence to:

PERSONNEL DIRECTOR
½ PRICE STORES
12100 W. Center Rd.
Omaha, NE 68144

½ PRICE STORES
FACTORY OVERSTOCKS

An Equal Opportunity Employer

TRAFFIC & FLEET MANAGER

Fastest growing retail chain in the Southeast looking for a Traffic Professional experienced in retail distribution to assume responsibility for complete Traffic functions including private fleet. Candidate must be familiar with multi Distribution Center delivery and back hauling along with rates and routing, ICC and DOT regulations, truck maintenance & budget, and expense control. Must be well organized and possess strong leadership and negotiating ability. A complete resume, including salary requirements, should be mailed to:

Personnel Department
FAMILY DOLLAR STORES, INC.
P.O. Box 25800, Charlotte, NC 28212

EOE M/F

EASTERN KENTUCKY AND WEST VIRGINIA

STORE MANAGER AND ASSISTANT STORE MANAGER OPPORTUNITIES

Maloneys

If interested call collect or send resume to
Emma McCoy
Maloney Enterprises
Mt Sterling KY 40353
Phone: (606) 498-4090

The Placers Inc.
Professional Placement Specialists

Retail Division

Dick Burkhard

Suite 201
2000 Pennsylvania Ave.
Wilmington, DE 19806

302-575-1414

302-428-1277
After Hours & Weekends

REDNER ASSOCIATES
Sheldon H. Redner
2745 Burning Tree Drive
Ft. Lauderdale, Fla. 33308
(305) 564-4219
Our 15th Year of
Quality Executive Search

Payment must accompany all orders except when ad is placed by accredited advertising agency or if you have established credit with Lebhar-Friedman.

For Rates
And
Information
Call
CAROLE HARNOFF
(212) 371-9400
Extension 363
We're happy to
be of service.

Address Box Replies to:
Box #
Discount Store News
425 Park Ave., NYC 10022
Att: Classified Dept.

Box replies should come in #10 envelope only— large envelopes require additional postage payment.

LADIES' APPAREL

Discount Store Census '82/'83

Buyers Seek New Star As Status Jeans Slip

In ladies' apparel, the problem in 1982 has been finding a replacement for the fading status of the designer jeans market.

Discounters like Jamesway began easing their focus on the jeans—which have given them fashion and name brand recognition with consumers for several years—when it was clear women were displaying a passing fancy for the status label on the derriere in the first quarter.

"We're tapering off with status jeans because our customers are tapering off," Jamesway vp and gmm Joe Nusim told a session of the National Mass Retailing Institute convention in San Diego.

"Now we're trying to figure out what will replace those jeans."

Ladies' apparel sales, nonetheless, are soaring to $11.8 billion, up from $9.1 billion a year earlier. Average sales per store are climbing to $1,426,000, up 28% from 1981 figures, as sales per square foot go to $142 from $112.

Faster Turnover

While gross mmargins remain steady at 36%, turns grow to 5.9 and initial markup is being upped two percentage points to 46%.

While there may not be a replacement for the draw that status-brand jeans generated, discounters are becoming more and more fashion conscious this year, turning to other ladies' fashion wear, including prairie and tuxedo looks. But of all looks, activewear is seen as the real growth area.

"Jogging suits and other activewear have taken a lot of the jeans business in our area," commented T.G. & Y. vp Hal Pettitt.

Chains throughout the country have noted the increasing activewear fashion trend and hve acted to go after the increased market share being projected for the category through the balance of the year and well into 1983.

Wal-Mart dove heavily into activewear to make its fall fashion statement. The chain invested in velour holiday coordinates with price tags up to $50.

For fall, discounters also jumped into a specific new activewear look: dancewear, which is currently a department store best-seller.

Added Category

Chains like Gold Circle plan to devote up to 12-ft. sections of ladies' wear to the category which combines leotards, tights, legwarmers, headbands, skirts, shorts and coverups.

Jefferson/Ward, keeping dancewear in its hosiery department, instituted cross-merchandising techniques to tie in other activewear items like fleece-back sweaters from its ladies' department.

Alexander's went all out and built a shop for activewear.

Bradlees gave active sportswear and spectator sportswear frontage in its Mrs. department as well.

"Our T-stands show the trends of the moment," said Bradlees vp and gmm Harry Kohn, who also pointed to junior sportswear departments whose frontage went to prairie skirts and tops, nautical stripes, as well as basic Lee and Wrangler jeans. The jeans, which give name brand emphasis, are among the few "name" lines available to discounters on a direct basis.

Industry apparel officials say they are still reluctant to pick up a name brand unless they can purchase goods direct.

New Approach

Most chains say they have seen some softening on the part of some branded apparel manufacturers who in the past gave a steadfast "no" to selling direct. The economy has caused inventory stack-ups and manufacturing plants are running less than capacity, making a new distribution avenue attractive.

Discounters' hope that the situation with branded houses will further change was heightened by Levi's deal during the year to sell Penney and Sears its lines.

"We'd like to have Levi selling us jeans direct, and we'd like to have Levi's other merchandise," said T.G. & Y.'s Hal Pettitt.

In a new way of attacking the problem of adding more brands, K mart this year took a former department store label (now being manufactured by a new company, and solely for K mart.)

The industry is eagerly watching the results of K mart's deal with Kayser Roth, which is manufacturing the Jonathan Logan name in apparel for the giant discount chain. (Jonathan Logan Inc. had manufactured the line for department stores for 40 years when it suspended production, then signed its rights to the name to Kayser Roth.)

As the industry evaluates K mart's success with Jonathan Logan, which debuted in 400 stores for back-to-school, it continues to gauge the effect designer jeans had in the long term on image building.

Nusim at Jamesway, whose chain did $1.5 million in sales of designer jeans in 1981 (with an average of 20.5% mmarkup), explained: "We hope the jeans helped our overall store image, especially in the ladies' department. . . . We hope they increased our customer base. But it remains to be seen if they gave us any kind of image at all over a long period of time."

Ladies' Apparel

BOXSCORE

• Discount Store Sales	$11.8 Billion
• Sales per Store	$1,426,000
• Department Size	10,000 Sq. Ft.
• Annual Sales per Sq. Ft.	$142
• Annual Turns	5.9
• Initial Markup	46%
• Gross Margin	36%

Discounters report good sales of prairie, mini and tuxedo fashion looks, besides activewear. Wal-Mart, Rogers, Ark., builds its fashion image with designated signing. *(DSN photo)*

Discount Store Census '82/'83

Flood of Licensed Items Makes Waves

Discounters are facing an unsettled toy outlook this fall.

Licensed characters of TV, movie or arcade game fame are due in most categories and are expected to generate greater interest in toys overall this fall, particularly if manufacturers carry through on their extensive promotional plans.

However, the expected flood of characters has resulted in some discounter concern. "If we don't watch it, we'll be Smurfed out," a T.G. & Y. merchandiser warned.

This disquiet over the only major new merchandising trend in toys points up discounters' concern about sales this fall.

Price hikes, in particular, are expected to present problems in such areas as preschool and high-end trucks, while video games are seen as continuing to cut sharply into sales of board games while almost sounding the death knell of hand-held electronic games.

Upward Spiral

These downside factors are countered by the growing interest in military and space toys, a swing to higher price points for models, greater focus on fashion to spur doll sales and continued strength of craft goods.

Discounters plan to swing behind licensed characters because of manufacturers' strong advertising support for this merchandise. The T.G. & Y. merchandiser summed up the situation by noting that while he was leery about the large increase in licensed toys he was looking for items being backed by heavy manufacturer promo dollars.

The wary approach to licensed characters also holds for the broad area of electronic toys.

The new tabletop arcade games are expected to be strong sellers as holiday gift items despite carrying tags in the $50 area. A Cook United merchandiser said he was "very impressed" with the array of arcade games that could now be played at home.

While prices in the $50 area are acceptable for home arcade games, similar tags are seen as presenting problems for electronic versions of staple board games. The nonelectronic versions carry tags of $10 or less, so that consumers may be hesitant to make the big jump to $50 or more.

Fewer Units

Action at a price is the key to sales of cassettes for video computer/game players. While the basic units—which are sold in consumer electronics—carry tags of $150 and over, the cassettes are competitive with hand-held electronic games.

The continuous introduction of new game cassettes, along with the development of home arcade games, has resulted in sales of hand-held electronic games dropping dramatically.

Discounters, in turn, have made similar drastic cuts in their sku's. Woolco, for example, plans to cut its mix 15% to 20% this year on top of a 60% trim made in 1981.

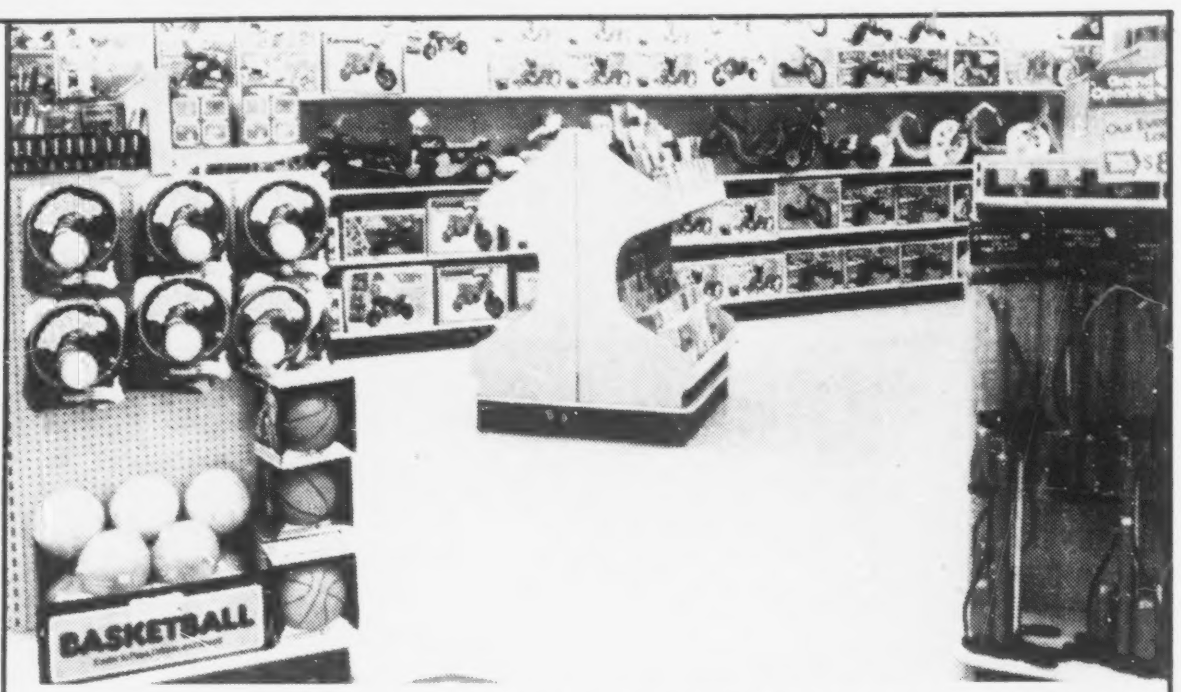
Limiting the commitment to problem toy classifications has spilled into other areas besides hand-held electronic games.

In the truck classification, for example, sales of high-end items have been weak and a number of discounters have trimmed their assortment.

BOXSCORE

Toys

Discount Store Sales	$3.5 Billion
Sales per Store	$422,000
Department Size	2,650 Sq. Ft.
Annual Sales per Sq. Ft.	$154
Annual Turns	3.4
Initial Markup	33%
Gross Margin	26%



CSC, Louisville, Ky., has an open presentation for toys, using high runs along walls and lower, straight runs and angled displays in front. This approach allows customers to easily view the broad assortment of goods.

Lee and Stella Brillhart with Bell A.E. Joe Garrett

"Lee and I went with Bell because of Joe."

Lee and Stella Brillhart, owners of Tape Town in Seattle, Washington, know that no business is too small or too large to profit from automation.

That's why they put an inventory management system from Bell to work in their sixteen Washington retail stores. All sales and inventory reporting was manual before the Brillharts installed their system. Now, with a combination of Dataspeed® terminals, Bell printers, and data communications storage units, full reporting is much faster, more accurate. Stock never drops below their safety inventory figure. They can reorder more quickly. They feel they have better control.

Lee and Stella considered a number of other systems. But the other systems turned out to be too cumbersome —and too expensive.

The bottom line for the Brillharts wasn't price, though. It was the working knowledge and committed service of their Bell Account Executive, Joe Garrett. According to Stella, "We chose Bell because of Joe. He was so concerned about our needs and finding a way to help us." She explains, "Joe took the time to find out what our needs were. He made a complete study before recommending a system that could satisfy them."

Lee and Stella say they have "no computer background," but their system from Bell is straightforward and easy to use. They can understand it in layman's terms—just what it can and can't do. In fact, they're planning to expand its functions to include order processing, and time and expense reporting.

You know how the Brillharts feel about Joe. One call to your Bell Account Executive can put the same knowledge to work for you.

The knowledge business

Activewear Molded Into the Fashion Look

Men's & Boys' Wear

BOXSCORE

Discount Store Sales	$6.6 Billion
Sales per Store	$797,000
Department Size	7,600 Sq. Ft.
Annual Sales per Sq. Ft.	$105
Annual Turns	4.0
Initial Markup	41%
Gross Margin	35%

Knit plaid, button-down oxford and flannel shirts along with jeans continue to be top sellers in boys' wear departments, such as this one at Bradlees, Hingham, Mass. *(DSN photo)*

The men's and boys' wear department performance has been less than dazzling this year, despite discounters' continual push to enliven it with fashion activewear and more sophisticated departmental treatment.

Sales are expected to hit $6.6 billion, up only 8%—about even with inflation—from last year's $6.1 billion.

Projected sales-per-square-foot and sales-per-store figures at $105 and $797,000, respectively, are only 6% higher than last year's $99 and $756,000. The increases will come as department sizes inch up 5% from 7,560 to 7,600 sq. ft.

There is some better news at the bottom line, however: annual turns are rising to 4.0 from 3.9, and average gross margins from 33% to 35%.

Initial markup is holding steady at 41%.

Throughout the year, buyers' strategy has been to proceed with caution, taking a realistic approach to uncertain times. This year's assortment has been heavily geared to casual looks and basics assortments dominated by fashion jeans, classically styled poly/cotton pants and shirts and knit shirts.

New Approach

Activewear has been molded into "the fashion look," replacing the western emphasis, which continues to be strong only on the regional basis from which it came.

Father's Day and back-to-school promotions at most chains heavily touted activewear coordinates.

Bradlees exemplified most chains in Father's Day promotions, giving front-page play to activewear coordinates. But, the chain went a step further by devoting two of eight men's wear pages in its 24-page Father's Day tab to the category.

Some buyers taking a strong stand in activewear, however, said sales for spring fell short of expectations. Fishers Big Wheel, for example, went heavily into activewear for Father s Day and found it had to start markdowns earlier than the traditional Fourth of July sale date for summer.

Still Developing

"We ended up doing extremely well," said Fishers' vp of sales and promotion Homer Helter, "but we weren't doing well early."

Still, Helter believes in the category. "We've taken a strong stand again for the fall, because we believe in it so much," he added.

The National Association of Men's Sportswear Buyers predicts activewear, especially fleece-hooded and crew sweatshirts and jogging suits, will continue strong through fall in both men's and boys'. The association also points to semiactive looks instead of the "real" jogging outfits for great fall sales, including open-stock separates of fleecy jackets and pullovers that have the jogging look; velour lounge suits; raglan pullover tops; fashion sweatshirts; pouch-front knit shirts and long-sleeve rugby knits.

In boys', button-down oxfords, plaid shirts and flannel shirts will continue strong, as will five-pocket western jeans, corduroy and twill pants.

The bulk of pants promotions for BTS continued to go to name brand jeans.

FlipDrive™
86-200
RATCHET
3/8 DRIVE
STANLEY

THE POWER IN
JUST GOT

Introducing Stanley's New Workmaster™ Line of Sockets and Wrenches.

Stanley, the number one name in hand tools, has set another standard of excellence. The new Workmaster line of sockets and wrenches. It's one hundred percent Stanley quality, designed and made in America. And it's about to give you a powerful new way to tighten your grip on profits.

STANLEY VALUE COMES THROUGH AGAIN

Whether it's the shade tree mechanic or the experienced professional, every one of your customers looks for value. The Workmaster line of sockets and wrenches delivers it. With every size and style drive tool your customers ask for. 1/4", 3/8" and 1/2" drive sockets. And the new patented Flip Drive™ ratchet, pioneered by Stanley for the simplest, most reliable one-handed direction change on the market.

You can get Stanley Workmaster sockets and drive tools in a full range of open stock and in 21 different sets, including sockets only, sockets and drive tools and specialty sets.

Workmaster wrenches put Stanley value right in your customers' hands. Designed for strength and durability, Stanley offers you 52 different wrenches in a full complement of styles, in both inch and metric sizes. All of them – Workmaster sockets and wrenches – priced and packaged to sell.

STANLEY GETS YOUR CUSTOMERS' ATTENTION

Stanley is going all-out to give you powerful support for the Workmaster line: aggressive national TV; super-charged print advertising; traffic building consumer promotions.

Discount Store Census '82/'83

Cost Cuts Are Passed on to Consumers

Electrics sku-cutting occurred at most chains this year, including K mart. The chain dropped its line of controlled brand traffic appliances, La Collection Fleurs. (DSN photo)

(Continued from page 103)

The all-out effort to promote basic electrics at the lowest possible price has also led to manufacturers' rebates becoming a fact of life in the department. But, as electrics promotions and rebates have become virtually inseparable, many discounters are raising a hue and cry about the need to find a way out of relying on the rebate crutch to present a price point. So far, the way out doesn't appear to be in sight.

Despite the area's problems, the strategy of staying lean, basic and aggressive has, for the most part, been successful in keeping sales ahead of last year.

The gain in 1982 is projected to be 7.1% with the area reaching $1.5 billion.

Sales per store are seen increasing from $172,000 to $181,000, a 5.2% rise. Sales per square foot will also show some growth, 7.8%, from $191 to $206.

Paring down sku's to the best-selling items is expected to boost annual rate-of-turn from 3.9 to 4.0.

However, the same aggressive price strategy that looks good in the total sales and stock-turn columns hasn't been much of a boon to the bottom line. Even with this year's sharp price offerings from manufacturers, discounters have felt obliged to pass the price savings to customers in this highly competitive, price sensitive category.

The result is that electrics' initial markup and gross margin aren't expected to budge above last year's levels, 23% and 16%, respectively.

One chain that found an innovative way to stimulate electrics business this year was Wal-Mart. Responding to customers who like the price savings of rebates, but not the logistics required with manufacturers' rebate programs, Wal-Mart started its own No-Wait Rebate program at the beginning of the year.

Innovative Technique

During each quarter, the chain selects eight-12 appliances and reduces their prices to correspond with the amount of the manufacturers' rebate offers. These lower, No-Wait Rebate prices remain in effect throughout the quarter. Wal-Mart's management said the program has been very successful.

Additional evidence of the struggle in electrics was found at K mart. The chain dropped its two-year-old line of controlled brand appliances, La Collection Fleurs.

The collection of seven appliances was dropped, according to a spokesman for K mart, "as an inventory management step to cut back on the number of sku's carried in traffic appliances."

The elimination of La Collection Fleurs left K mart with its lower priced controlled brand appliances, K-lectables, an 18-item group using an herb-and-vegetable motif similar to the Corning Glass Spice of Life pattern.

K mart

(Continued from page 39)

meant to boost gross margins, overall and within the next five years obtain a minimum of 25% more gross dollars for each dollar of inventory investment, company executives said.

At the same time, employee productivity should become higher, thereby lowering labor costs, one of the discounter's greatest expenses.

K mart's mixed results last year pointed up the discounter's need to catch its breath and improve operations before undertaking another expansion plunge.

While sales in the fiscal year ended Jan. 27 went up 16.4% to $16.5 billion from $14.2 billion, net income dropped from $260.5 million to $220.3 million.

Gross margins dropped to 25.2% from 26.7% as the cost of merchandise went to 74.8% of sales from 73.3%. Increased promotional efforts to buy sales in the face of the recession also contributed to the sharp gross margin drop.

HAND TOOLS STRONGER.

MAJOR INNOVATIONS IN MERCHANDISING AND PACKAGING

Once customers are in your store, they'll see a merchandising display that's an industry breakthrough, built on a concept developed and patented by Stanley. It features dynamic new packaging that lets customers see, even feel, the quality of each Workmaster product, while it practically eliminates pilferage.

These brand new display units are flexible enough to create any size merchandising center. They set up quickly and give you return-per-square-foot no pegboard wall can match.

The Workmaster line is a new standard of excellence. From the simplest wrench to the Flip Drive™ ratchet to complete innovation in merchandising and packaging, it's designed to help you sell.

Find out more about it. Call your local Stanley representative. Or write: Stanley Tools, Division of The Stanley Works, P. O. Box 3000, New Britain, CT 06050.

STANLEY® helps you do things right.

STANDARD 12PT.
1/2 SOCKET
1/2 DRIVE
STD. METRIC 6PT.
SOCKET
3/8 DRIVE
KET
STANLEY
STANLEY
STANLEY